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**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR  
THE SEASONS AT KEYSTONE**

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DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR THE SEASONS AT KEYSTONE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for THE SEASONS AT KEYSTONE (as amended from time to time, this "Declaration") is made as of January 15, 2003, by Keystone/Intrawest L.L.C., a Delaware limited liability company (together with its successors and assigns, "Declarant").

Recitals

A. Declarant owns the real property located in the County of Summit, State of Colorado that is more particularly described on Exhibit A attached hereto and forming a part hereof.

B. Declarant desires to create a condominium on such property pursuant to the Colorado Common Interest Ownership Act, Colorado Revised Statutes 38-33.3-101 through 38-33.3-319, as the same may be amended from time to time.

C. Declarant deems it necessary and desirable to subject such property to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration.

Declaration

In consideration of the foregoing, Declarant hereby declares as follows:

ARTICLE I  
DECLARATION

1.01 Declaration.

Declarant hereby creates a condominium named "The Seasons at Keystone" on the Property (as such term is defined below) and declares that the Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of this Declaration.

1.02 Covenants Running with the Land.

All covenants, conditions, restrictions, reservations, easements, charges, liens and other provisions of this Declaration are covenants running with the land, or equitable servitudes, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and inure to the benefit of Declarant, the Owners (as such term is defined below), the Association (as

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such term is defined below), and their respective successors, assigns, heirs, devisees, executors, administrators and personal representatives.

## ARTICLE II DEFINITIONS

### 2.01 Basic Definitions.

As used in this Declaration, the following terms have the meanings given to them in this Section 2.01.

(a) "Act" means the Colorado Common Interest Ownership Act, Colorado Revised Statutes 38-33.3-101 through 38-33.3-319, as the same may be amended from time to time.

(b) "Additional Property" means the parcel of real property described on Exhibit B attached hereto and made a part hereof.

(c) "Amenities Building" has the meaning given to that term in Section 8.04 below.

(d) "Area" of a Unit or Units, means the total number of square feet of floor surface thereof (exclusive of the square footage of any garage included within such Unit or Units) as shown on the Map, or if such square footage is not shown on the Map, the total number of square feet of floor surface thereof as determined by the Executive Board.

(e) "Articles" means the articles of incorporation of the Association, as the same may be amended from time to time.

(f) "Assessment" means a General Assessment, a Special Assessment or a Default Assessment levied and assessed pursuant to Article VII below.

(g) "Assessment Lien" has the meaning given to that term in Section 7.08 below.

(h) "Association" means The Seasons at Keystone Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(i) "Association Documents" means this Declaration, the Articles, the Bylaws and the Rules and Regulations, as the same may be amended from time to time.

(j) "Bylaws" means the bylaws of the Association, as the same may be amended from time to time.



(k) "Common Elements" means the General Common Elements and the Limited Common Elements.

(l) "Common Expenses" means:

(i) any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (A) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Elements; (B) providing facilities, services and other benefits to Owners; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (D) levying, collecting and enforcing the Assessments, charges and liens imposed pursuant hereto; (E) regulating and managing the Condominium; and (F) operating the Association; and

(ii) reserves for any such costs, expenses and liabilities.

(m) "Condominium" means The Seasons at Keystone, the common interest community created on the Property by this Declaration, consisting of the Units and the Common Elements.

(n) "Declarant" means Keystone/Intrawest L.L.C., a Delaware limited liability company, and its successors and assigns.

(o) "Declarant Control Period" has the meaning given to that term in Section 6.03 below.

(p) "Declaration" means this Declaration of Covenants, Conditions and Restrictions for The Seasons at Keystone, as the same may be amended from time to time.

(q) "Default Assessment" has the meaning given to that term in Section 7.06 below.

(r) "Director" means a duly elected or appointed member of the Executive Board.

(s) "Executive Board" means the Association's board of directors.

(t) "First Mortgage" means any Mortgage which is not subordinate to any other lien or encumbrance, except liens for taxes or other liens which are given priority by statute.

(u) "First Mortgagee" means a Mortgagee under a First Mortgage.

(v) "General Assessment" has the meaning given to that term in Section 7.04.

(ii) all streets, roads, driveways and parking facilities and areas within the Condominium, other than those that are (A) located within a Unit, or (B) designated as Limited Common Elements by this Declaration or the Map;

(iii) all yards, sidewalks, walkways, trails, paths, lawns, shrubbery, trees, gardens and landscaping within the Condominium; and

(iv) any parcels of real property and improvements and fixtures located thereon (A) that are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration or a lease, license, easement or agreement, and (B) that are used or possessed by the Association for the benefit of all Owners.

(x) "Guest" means any family member, employee, agent, independent contractor, lessee, customer or invitee of an Owner.

(y) "Improvement" means any building, structure or other improvement (including, without limitation, all fixtures and improvements contained therein) located on the Property.

(z) "Interest in Common Elements" means the undivided interest in the Common Elements appurtenant to each Unit determined in accordance with the terms and conditions of Section 3.02 below.

(aa) "Keystone Village Association" means the Keystone Village Association, Inc., a Colorado nonprofit corporation.

(bb) "Keystone Village Documents" means the Keystone Village Declaration and the articles of incorporation, the bylaws and all rules and regulations of the Keystone Village Association, including, without limitation, those of The Keystone Architectural and Planning Control Board, as the same may be amended from time to time.

(cc) "Keystone Village Declaration" means the Declaration of Protective Covenants recorded in the Summit County Records on December 4, 1972, at in Book 227 at Page 440, as the same may be amended from time to time.

(dd) "Limited Common Elements" means those portions of the Common Elements allocated by this Declaration, the Map or by operation of the Act for the exclusive use of one or more Units, but fewer than all of the Units. Without limiting the generality of the foregoing, "Limited Common Elements" include, without limitation:

(i) any shutters, awnings, exterior windows and doors, window boxes, utility systems, mechanical systems, exhaust and ventilation systems, fireplaces, storage spaces, parking spaces, entrances, exits, walkways, patios, balconies, decks, porches, courtyards, yards, sidewalks and other areas and Improvements that are designed to serve fewer than all of the Units; and

(ii) any physical portion of the Condominium that is designated on the Map as "Limited Common Element" or "LCE."

If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the General Common Elements. Nonstructural walls located wholly within a Unit are Limited Common Elements appurtenant to the Unit in which they are located.

(ee) "Lock-off Unit" has the meaning given to that term in the definition of "Residential Unit with Lock-Off Capacity".

(ff) "Majority," whether or not capitalized, means any percentage greater than 50 percent.

(gg) "Map" means the condominium map of The Seasons at Keystone attached hereto and made a part hereof as Exhibit C, as the same may be amended from time to time.

(hh) "Membership" means a membership in the Association and the rights granted to Owners pursuant to this Declaration and the other Association Documents to participate in the Association.

(ii) "Mortgage" means any mortgage, deed of trust or other document pledging any Unit or interest therein as security for payment of a debt or obligation.

(jj) "Mortgagee" means any Person named as a mortgagee or beneficiary in any Mortgage, and any successor to the interest of any such Person under a Mortgage.

(kk) "Officer" means a duly elected or appointed officer of the Association.

(ll) "Owner" means the record holder of legal title to the fee simple interest in any Unit or portion thereof. If there is more than one record holder of legal title to a Unit, each record holder shall be an Owner. The term "Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in a Unit.

(mm) "Pedestrian Bridge" has the meaning given to that term in Section 8.04 below.

(nn) "Person" means any natural person, corporation, partnership, limited liability company, association, trust, trustee, governmental or quasi-governmental entity or any other entity capable of owning real property under the laws of the State of Colorado.

(oo) "Property" means:

(i) the real property located in Summit County, Colorado, that is more particularly described on Exhibit A attached hereto and made a part hereof; and

(ii) any real property that is later made subject to this Declaration in accordance with the terms and conditions contained herein.

(pp) "Purchaser" means a Person, other than Declarant or a Successor Declarant, who acquires legal title to the fee simple interest in any Unit or portion thereof.

(qq) "Residential Unit with Lock-Off Capacity" means any Residential Unit that is capable of being separated into two distinct units by a door lockable from each such unit and: (i) one such unit has direct access to the hallway, one or more bathrooms and a kitchen; and (ii) the other such unit has direct access to the hallway and one or more bathrooms, but does not have a kitchen (the "Lock-Off Unit").

(rr) "Resort Operator" means Vail Summit Resorts, Inc. and its successors and assigns as the operator of the Keystone Ski Area.

(ss) "Rules and Regulations" means any instruments adopted by the Association for the regulation and management of the Condominium, as the same may be amended from time to time.

(tt) "Share of Common Expenses" means the share of Common Expenses allocated to each Unit in accordance with the terms and conditions of Section 7.02 below.

(uu) "Special Assessment" has the meaning given to that term in Section 7.05 below.

(vv) "Special Declarant Rights" means all "special declarant rights" (as such term is defined in the Act) that Declarant reserves in this Declaration.

(ww) "Successor Declarant" means any Person who succeeds to any Special Declarant Right.

(xx) "Summit County Records" means the Office of the Clerk and Recorder for Summit County, Colorado.

(yy) "Total Condominium Area" means the Area of all Units in the Condominium, as determined in accordance with paragraph 2.01(c) above.

(zz) "Unit" means a physical portion of the Condominium that:

- (i) is created by this Declaration;
- (ii) is designated for separate ownership; and
- (iii) has boundaries that are described in this Declaration or shown on the Map; together with
- (iv) the Interest in Common Elements appurtenant to that Unit;
- (v) the right to exclusive or nonexclusive use of the Limited Common Elements appurtenant to that Unit, if any; and
- (vi) the Membership in the Association appurtenant to that Unit.

If walls, floors or ceilings are designated as boundaries of a Unit, all paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any portion of the finished surfaces thereof are part of the Unit, and all other portions of the walls, floors and ceilings are part of the Common Elements.

## 2.02 Gender and Number.

Wherever the context of this Declaration so requires:

- genders; (a) words used in the masculine gender shall include the feminine and neuter
- genders; (b) words used in the neuter gender shall include the masculine and feminine
- (c) words used in the singular shall include the plural; and

- (d) words used in the plural shall include the singular.

### ARTICLE III UNITS AND COMMON ELEMENTS

#### 3.01 Units.

- (a) Declarant hereby creates 32 Units within the Condominium, the boundaries and identifying numbers of which are shown on the Map.
- (b) Declarant reserves the right to create a maximum of 72 Units within the Condominium, as the same may be expanded from time to time.
- (c) No Owner may alter its Unit, subdivide its Unit or relocate the boundaries between its Unit and an adjacent Unit, except as provided by this Declaration or the Act.
- (d) Except as expressly provided to the contrary in this Declaration the Interest in General Common Elements, the right to use Limited Common Elements and the Membership in the Association appurtenant to the Unit may not be partitioned or separated from the Unit or any part thereof.
- (e) Notwithstanding anything to the contrary contained in paragraphs 3.01(c) or (d) above or elsewhere in this Declaration:
- (i) nothing shall prevent or limit Declarant's exercise or enjoyment of any Special Declarant Right; and
- (ii) an Owner may grant its right to use any General Common Element or any Limited Common Element appurtenant to the Owner's Unit to the Owner's Guests.

#### 3.02 Interests in Common Elements.

- (a) The Interests in Common Elements shall be allocated among the Units as set forth in this section 3.02. The Interest in Common Elements appurtenant to a Unit shall be expressed as a percentage and calculated in accordance with the following formula:

$$\text{Interest in Common Elements} = \frac{(\text{Area of the Unit})}{(\text{Total Condominium Area})} \times 100$$

- (b) The Interests in Common Elements appurtenant to the initial 32 Units of the Condominium are set forth on Exhibit D attached hereto and made a part hereof.
- (c) If any Units are added to or withdrawn from the Condominium, or if the Area of one or more Units is increased or decreased, the Interest in Common Elements for all

Units within the Condominium after such addition, withdrawal, increase or decrease shall be recalculated in accordance with the formula set forth in paragraph 3.02(a) above.

(d) An Interest in Common Elements may not be partitioned from the Unit to which it is appurtenant, and any purported conveyance, encumbrance or transfer of an Interest in Common Elements made without the Unit to which the Interest in Common Elements is appurtenant shall be void.

3.03 Limited Common Elements.

Except as expressly provided to the contrary in this Declaration, the allocation of the Limited Common Elements shown on the Map, described in this Declaration or by operation of the Act may not be altered without the consent of all Owners whose Units would be affected by such reallocation, and then, only in accordance with the terms and conditions of the Act.

3.04 Separate Taxation of Units.

Pursuant to the Act, each Unit constitutes a separate parcel of real estate and will be separately assessed and taxed.

3.05 Description of Units.

To convey, encumber or otherwise affect legal title to a Unit an instrument must describe the Unit as follows:

Unit \_\_\_\_\_, The Seasons at Keystone, Summit County, Colorado, according to the Declaration of Covenants, Conditions and Restrictions for The Seasons at Keystone, recorded under Reception No. 708298 of the records of the Clerk and Recorder for Summit County, Colorado, and the Condominium Map attached as an exhibit thereto and also separately recorded under Reception No. 708391 of the records of the Clerk and Recorder for Summit County, Colorado.

ARTICLE IV  
THE ASSOCIATION

4.01 Formation of the Association.

On or before the date on which Declarant conveys the first Unit to a Purchaser, Declarant shall form the Association.

4.02 Purposes and Powers.

(a) The Association's purposes are:

(i) to manage, operate, insure, construct, improve, repair, replace, alter and maintain the Common Elements;

(ii) to provide certain facilities, services and other benefits to the Owners;

(iii) to administer and enforce the covenants, conditions, restrictions, reservations and easements created hereby;

(iv) to levy, collect and enforce the Assessments, charges and liens imposed pursuant hereto;

(v) to enter into agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with one or more common interest community associations, which contemplate the sharing of expenses among the Association and the other Persons for improvements, facilities and services that serve the Association and the other Persons;

(vi) to take any action that it deems necessary or appropriate to protect the interests and general welfare of Owners; and

(vii) to regulate and manage the Condominium.

(b) Unless expressly prohibited by law or any of the Association Documents, the Association may:

(i) take any and all actions that it deems necessary or advisable to fulfill its purposes;

(ii) exercise any powers conferred on it by the Act or any Association Document; and

(iii) exercise all powers that may be exercised in Colorado by nonprofit corporations.

(c) Without in any way limiting the generality of paragraph 4.02(b) above, the Association may, but is not obligated to:

(i) provide certain facilities and services to the Owners, such as (A) recreational facilities and services, (B) water, sewer, gas, electric, cable television and



other utility facilities and services, (C) parking facilities and services, (D) trash collection facilities and services, and (E) snow removal facilities and services;

(ii) acquire, sell, lease and grant easements over, across and through Common Elements;

(iii) borrow monies and grant security interests in the Common Elements and in the assets of the Association as collateral therefor;

(iv) make capital improvements, repairs and replacements to the Common Elements; and

(v) hire and terminate managing agents and other employees, agents and independent contractors.

#### 4.03 Association Documents.

(a) This Declaration creates the Condominium and sets forth certain covenants, conditions, restrictions, reservations, easements, assessments, charges and liens applicable to the Property. The Articles create the Association. The Bylaws provide for the regulation and management of the Association and the Rules and Regulations provide for the regulation and management of the Condominium.

(b) If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. If there is any conflict or inconsistency between the terms and conditions to the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

#### 4.04 Books and Records.

Upon request, the Association shall allow Owners and Mortgagees and their respective agents to inspect current copies of the Association Documents and the books, records, budgets and financial statements of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

ARTICLE V  
MEMBERSHIP AND VOTING

5.01 Membership.

(a) There shall be one Membership appurtenant to each Unit. The Membership appurtenant to a Unit shall be held by the Owners of that Unit and may not be separated from the Unit to which it is appurtenant. A Membership may be transferred or encumbered only in connection with the conveyance or encumbrance of a fee simple interest in the Unit to which the Membership is appurtenant. Any transfer or encumbrance of a Membership other than as permitted in this Section 5.01 shall be void and have no force or effect.

(b) Notwithstanding anything to the contrary contained in paragraph 5.01(a) above, an Owner may assign its voting rights to any Person by duly executed proxies timely delivered to the Association.

5.02 Voting.

(a) Each Membership shall be entitled to one vote, regardless of the number of Owners of the Unit to which the Membership is appurtenant. Fractional voting shall not be allowed. If the Owners of a Unit cannot agree among themselves as to how to cast their vote on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a certain Membership, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the Membership, unless objection thereto is made by an Owner of the Unit to the Person presiding over the meeting at the time the vote is cast. If more than one vote is cast for any particular Membership, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b) The votes allocated to the initial 32 Units of the Condominium are set forth on Exhibit D attached hereto and made a part hereof.

(c) In any election of Directors to the Executive Board, every Membership shall have the number of votes equal to the number of Directors to be elected. Cumulative voting shall not be allowed in the election of Directors of the Executive Board or for any other purpose.

(d) The Association shall have no voting rights for any Membership appurtenant to any Unit owned by the Association.

ARTICLE VI  
EXECUTIVE BOARD

6.01 Number and Election of Directors.

The Executive Board shall consist of three Directors. The initial Directors shall hold office until the election or appointment of their successors at the 2003 annual meeting. Thereafter, subject to the terms and conditions of Sections 6.03 and 6.04 below, each Director will hold office for a term of one year and the Owners shall elect the Directors at the annual meetings.

6.02 Powers of the Executive Board.

(a) Except as provided in this Declaration, the Articles and the Bylaws, the Executive Board may act on behalf of the Association in all instances.

(b) The Executive Board may not act on behalf of the Association to:

- (i) amend this Declaration;
- (ii) terminate the Association, this Declaration or the Condominium;
- (iii) elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of any Director's term, subject to Declarant's rights under Section 6.03 below; or
- (iv) determine the qualifications, powers and duties, or terms of office, of Directors.

6.03 Declarant Control Period.

(a) Subject to the terms and conditions of paragraphs 6.03(b) and (c) below, but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all Directors and Officers during the Declarant Control Period. The phrase "Declarant Control Period" means the period commencing on the date on which Declarant forms the Association and ending on the earliest to occur of:

- (i) the date that is sixty days after conveyance to Purchasers of 75 percent of the maximum number of Units that may be created by Declarant under this Declaration;
- (ii) the date that is two years after the last conveyance of a Unit by Declarant or a Successor Declarant in the ordinary course of business; or

(iii) the date that is two years after any right to add new Units was last exercised.

(b) Declarant may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

✓(c) Notwithstanding anything to the contrary contained in paragraph 6.03(a) above, not later than sixty days after the conveyance of 25 percent of the Units that may be created under this Declaration to Purchasers, one Director appointed by Declarant shall be replaced with a Director elected by Owners other than Declarant.

(d) During the thirty-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of three Directors, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

#### 6.04 Removal of Directors.

Notwithstanding any provision of this Declaration or any other Association Document to the contrary:

(a) Directors appointed by Declarant may be removed, with or without cause, solely by Declarant.

(b) Each Director, other than a Director appointed by Declarant, may be removed, with or without cause, by a 67 percent or greater vote of all Units represented and entitled to vote at any meeting at which a quorum is present.

#### 6.05 Replacement of Directors.

(a) Vacancies on the Executive Board created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.

(b) Except with respect to a Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of a Director shall be filled by a Director elected by the Owners.

(c) Any Director elected or appointed pursuant to this Section 6.05 shall hold office for the remainder of the unexpired term of the Director that Director replaced.

**ARTICLE VII**  
**ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS**

**7.01 Obligations for Assessments.**

(a) Each Owner, by accepting a deed to a Unit (regardless of whether it shall be expressly stated in such deed), shall be deemed to have covenanted and agreed, to pay to the Association all:

- (i) General Assessments;
- (ii) Special Assessments;
- (iii) Default Assessments; and
- (iv) other charges,

that the Association is required or permitted to levy or impose on such Owner or such Owner's Unit pursuant to this Declaration or any other Association Document.

(b) Notwithstanding the definition of the term "Owner":

(i) a Person who acquires a Unit in a foreclosure sale shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or on the Owner of that Unit commencing on the date of the foreclosure sale ; and

(ii) a Person who acquires a Unit by deed-in-lieu of foreclosure shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or on the Owner of that Unit commencing on the date on which the Owner of the unit executes the deed-in-lieu of foreclosure.

(c) No Owner shall be exempt from liability for any such Assessment or other charges by waiving the use or enjoyment of any Common Element by abandoning a Unit against which such Assessments or other charges are made.

(d) Each Owner shall be personally liable for all Assessments and other charges levied on such Owner or such Owner's Unit during the period of such Owner's ownership of the Unit. If there is more than one Owner of a Unit, each Owner shall be jointly and severally liable with the other Owners of the Unit for all Assessments and other charges levied on the Unit or any Owner of the Unit.

(e) Each Assessment or other charge, together with interest and penalties thereon and all costs and expenses incurred by the Association to collect such Assessment or

other amount, including all fees and disbursements of attorneys, accountants, appraisers, receivers and other professionals engaged by the Association in connection therewith, may be recovered by a suit for a money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

7.02 Shares of Common Expenses.

(a) Except as otherwise set forth in this Declaration, the Association's Common Expenses shall be allocated among the Units as set forth in this Section 7.02. The Share of Common Expenses allocated to a Unit shall be expressed as a percentage and calculated in accordance with the following formula:

$$\text{Share of Common Expenses} = \frac{(\text{Area of the Unit})}{(\text{Total Condominium Area})} \times 100$$

(b) The Shares of Common Expenses attributable to the initial 32 Units of the Condominium are set forth on Exhibit D attached hereto and made a part hereof.

(c) If any Units are added to or withdrawn from the Condominium or the Area of any Unit is increased or decreased, the Shares of Common Expenses for all Units within the Condominium after such addition, withdrawal increase or decrease shall be recalculated in accordance with the formula set forth in paragraph 7.02(a) above.

(d) Until the Association levies an Assessment, Declarant shall pay all Common Expenses.

7.03 Budgets.

(a) Prior to the first levy of a General Assessment, and thereafter on or before October 1 of each calendar year, the Executive Board shall adopt a proposed annual budget for the Association for the following calendar year that sets forth:

(i) the Executive Board's estimates of Common Expenses for the next calendar year;

(ii) the amount of funds for such Common Expenses that the Executive Board proposes to raise through General Assessments; and

(iii) the amount of funds for such Common Expenses that the Executive Board proposes to raise through Special Assessments.

(b) Within thirty days after adopting a proposed annual budget, the Executive Board shall deliver a summary of the proposed annual budget to the Owners and set a date for a meeting of the Owners to consider ratification of the proposed annual budget. The date of such

meeting shall not be less than fourteen days nor more than sixty days after the delivery of the summary of the proposed annual budget to the Owners. Unless at that meeting a majority of the votes allocated to all Memberships, whether or not a quorum is present, rejects the proposed annual budget, the proposed annual budget shall be deemed ratified. If the proposed annual budget is rejected, the annual budget last ratified by the Owners shall be deemed renewed for the next calendar year and shall remain in full force and effect until such time as the Owners ratify a subsequent annual budget proposed by the Executive Board.

(c) If the Executive Board deems it necessary or advisable to amend an annual budget that has been ratified by the Owners under paragraph 7.03(b) above, the Executive Board may adopt a proposed amendment to the annual budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than fourteen days nor more than sixty days after the delivery of the summary of the proposed amendment. Unless at that meeting a majority of the votes allocated to all Memberships, whether or not a quorum is present, rejects the proposed amendment, the proposed amendment shall be deemed ratified.

#### 7.04 General Assessments.

(a) After the Owners ratify an annual budget pursuant to paragraph 7.03(b) above, the Association shall levy an assessment for Common Expenses (a "General Assessment") on each Unit. The amount of the General Assessment levied against a Unit shall equal the product obtained by multiplying:

(i) the amount set forth in the annual budget ratified by the Owners as the amount of Common Expenses to be raised by General Assessments, by

(ii) that Unit's Share of Common Expenses.

(b) The Owners shall pay the General Assessments levied against their respective Units in such periodic installments as may be required by the Association.

(c) If the Owners ratify an amendment to the General Assessment portion of an annual budget pursuant to paragraph 7.03(b) above, the amount of the General Assessment levied against each Unit shall be adjusted accordingly, as shall the amount of each Owner's periodic installments.

(d) If the Owners fail to ratify an annual budget for any calendar year prior to January 1 of that calendar year, the Owners shall continue to pay periodic installments of the General Assessment to the Association at the rate payable during the prior calendar year until such time as the Owners ratify a new annual budget for the then current calendar year. Once the Owners ratify a new annual budget, the Association shall levy against each Unit the General Assessment for the then current calendar year and each Owner's periodic installments shall be adjusted as necessary to pay the new General Assessment in equal periodic installments over the

remainder of such calendar year, giving the Owners credit, in such manner as the Executive Board deems necessary or appropriate, for any installments that the Owners have previously paid to the Association during such calendar year.

(e) The failure of the Association to levy a General Assessment for any calendar year shall not be deemed a waiver, modification or release of an Owner's liability for the Share of Common Expenses allocated to such Owner's Unit.

#### 7.05 Special Assessments.

(a) The Assessments that the Association may levy pursuant to this Section 7.05 are referred to in this Declaration as "Special Assessments."

(b) Notwithstanding anything to the contrary contained in Section 7.04 above, if any Common Expense is (i) attributable to the operation, maintenance, repair, replacement, alteration or improvement of a Limited Common Element, or (ii) benefits fewer than all of the Units, the Association may levy an Assessment for such Common Expense against the Units to which that Limited Common Element is assigned, equally, in proportion to the Shares of Common Expenses attributable to those Units or in any other equitable proportion as the Association reasonably deems appropriate.

(c) Each Special Assessment levied against any Unit shall be shown on an annual budget, or an amendment to an annual budget, ratified by the Owners pursuant to Section 7.03 above and shall be paid as and when required by the Association.

#### 7.06 Default Assessments.

(a) Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by:

(i) the negligence or misconduct of an Owner or an Owner's Guest; or

(ii) a violation of any covenant or condition of an Association Document by an Owner or an Owner's Guest,

the Association may levy an Assessment for such Common Expense against such Owner's Unit. Any such Assessment levied by the Association and each fine, penalty, fee or other charge imposed upon an Owner for the Owner's violation of any covenant or condition of any Association Document are each referred to herein as a "Default Assessment."

(b) Default Assessments need not be shown on an annual budget, or on an amendment to an annual budget, ratified by the Owners pursuant to Section 7.03 above.



(c) With respect to any Default Assessment, or portion thereof, levied other than as a late charge, the Owner of the Unit against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard. Owners of Units against which Default Assessments have been levied shall pay such Default Assessments as and when required by the Association.

7.07 Assignment of Assessments.

The Association shall have an unrestricted right to assign its right to receive Assessments and other future income, either as security for obligations of the Association or otherwise, on the condition that any such assignment is approved by a majority of the votes allocated to Memberships present at a meeting at which a quorum is present.

7.08 Assessment Lien.

(a) The Association shall have a lien on each Unit for any Assessment levied against that Unit and any fines, late charges, penalties, interest and attorneys' fees, disbursements and costs of collection imposed against its Owner under any Association Document (the "Assessment Lien"). The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien shall secure each installment from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

(b) An Assessment Lien is prior to all other liens and encumbrances on a Unit, except:

(i) liens and encumbrances recorded prior to the recordation of this Declaration;

(ii) liens for real estate taxes and other governmental assessments or charges against the Unit; and

(iii) a First Mortgage which was recorded before the date on which the Assessment sought to be enforced became delinquent.

(c) Notwithstanding the terms and conditions of subparagraph 7.08(b)(iii) above, an Assessment Lien is prior to a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent, to the extent permitted by the Act.

(d) The recording of this Declaration constitutes record notice and perfection of an Assessment Lien on each Unit. No further recordation of any claim of any Assessment Lien is required.

(e) An Assessment Lien is extinguished unless proceedings to enforce the Assessment Lien are instituted within six years after the full amount of the Assessment secured thereby becomes due.

(f) This Section 7.08 does not prohibit actions or suits to recover sums secured by an Assessment Lien or the Association from taking a deed in lieu of foreclosure.

(g) In any action by the Association to collect Assessments or to foreclose an Assessment Lien for unpaid Assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be owed by the Owner prior to or during the pendency of the action. A court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Assessments.

(h) An Assessment Lien may be foreclosed in like manner as a mortgage on real estate. Periodic Assessments shall be payable during the period of foreclosure of an Assessment Lien.

#### 7.09 Waiver of Homestead Exemptions.

By acceptance of the deed or other instrument of conveyance of a Unit, an Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended, as the same may apply to the Assessment Lien.

#### 7.10 Estoppel Certificates; Notices to Mortgagees.

(a) The Association shall furnish to an Owner or such Owner's designee or to a Mortgagee or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit. The statement shall be furnished within fourteen calendar days after receipt of the request and is binding on the Association, the Executive Board and every Owner. If no statement is furnished to the Owner, the Mortgagee or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert the priority of its Assessment Lien upon the Unit for unpaid Assessments which were due as of the date of the request.

(b) If a First Mortgagee delivers to the Association a written request for notice of unpaid Assessments levied against a Unit subject to a First Mortgage held by that First Mortgagee, the Association shall report to the First Mortgagee any unpaid Assessments levied against such Unit that remain unpaid for more than sixty days after the same shall have become due. The First Mortgagee may pay any such unpaid Assessment, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such First Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as a lien of the First Mortgage held by such First Mortgagee.

7.11 Reserve Fund.

(a) The Association shall have the right to maintain a reserve fund for Common Expenses. The reserve fund will be funded as follows. At the closing of the sale of a Unit by Declarant to a Purchaser, the Purchaser shall pay to the Association an amount equal to the Association's estimate of three months of Common Expenses for the fiscal year in which the sale of the Unit occurs. Thereafter, the Association may increase the reserve fund or replace funds withdrawn from the reserve fund with funds collected through Assessments.

(b) Payments by Purchasers to the Association at closings under paragraph 7.11(a) above shall not be credited against, or relieve Purchasers from, their obligation to pay other Assessments levied against Units by the Association.

(c) Upon the sale of a Unit from one Owner to another, the Association shall not be obligated to return to the transferor any funds held in reserve.

ARTICLE VIII  
UTILITIES AND ACCESS

8.01 Water, Sewer, Gas and Trash and Snow Removal Services.

(a) In connection with its construction of the initial 32 Units and the other initial Improvements, Declarant has installed water, sewer and gas lines that service the initial Units and all of the other initial Improvements. If Declarant adds any portion of the Additional Property to the Condominium and creates additional Units and Common Elements thereon, Declarant shall install water, sewer and gas lines to service those Units and Common Elements.

(b) The Association shall be responsible for obtaining water, sewer, gas, trash removal and snow removal services for all portions of the Condominium.

(c) Common Expenses incurred by the Association for water, sewer, gas, trash removal and snow removal services shall be allocated among the Units in accordance with the Units' respective Shares of Common Expenses without regard to usage.

8.02 Electric, Telephone and Cable Television.

(a) In connection with its construction of the initial 32 Units and the other initial Improvements, Declarant has installed electric, telephone and cable television lines that service all portions of the Condominium. If Declarant adds any portion of the Additional Property to the Condominium and creates additional Units and Common Elements thereon, Declarant shall install electric, telephone and cable television lines to serve those Units and Common Elements.

(b) Each Owner shall be responsible for obtaining electric, telephone and cable television services for its Unit and the Limited Common Elements designed to serve only its Unit and shall pay all costs, expenses, fees, rates and other charges incurred in connection therewith directly to the utility or service company providing the same. Each Owner shall ensure that its Unit is sufficiently heated to prevent the freezing of the water and sewer lines serving the Condominium.

(c) The Association shall determine what, if any, electric, telephone and cable television services are necessary for the Common Elements and shall be responsible for obtaining those services. The Common Expenses incurred by the Association for those services shall be allocated among all Units and charged to the Owners in accordance with the Shares of Common Expenses allocated to the Units as a portion of the General Assessments.

(d) To the extent that the Association incurs any Common Expense for any electric, telephone or cable television services for a Limited Common Element, the Association may, but is not obligated to, allocate the Common Expenses so incurred among the Units to which that Limited Common Element is assigned, equally, in proportion to the Shares of Common Expenses allocated to those Units or in any other equitable proportions the Association reasonably deems appropriate.

#### 8.03 Other Utilities

If the Association incurs Common Expenses for any utility service not described above, or if the manner of providing or metering any utility service described above changes from the manner in which such service is provided or metered as of the date of this Declaration, the Association may allocate the Common Expenses incurred for such new utility service or changed utility service in any reasonable and equitable manner approved by at least 67 percent of all of votes allocated to all Memberships.

#### 8.04 Amenities Building and Pedestrian Bridge.

(a) Included within the Condominium as General Common Elements are:

(i) an amenities building, consisting of two exterior hot tubs, steam room, outdoor BBQ area with gas grill, changing rooms and showers, and related parking spaces (collectively, with all associated facilities, the "Amenities Building"); and

(ii) a bridge providing pedestrian access to and from the Condominium and the area of the Resort commonly referred to as Lakeside Village, as shown on the Map (the "Pedestrian Bridge").

(b) The Condominium is subject to that certain Pedestrian Bridge Easement Agreement between Declarant and Vail Summit Resorts, Inc., pursuant to which the

Condominium has an easement for the construction, location, use, maintenance, repair and replacement of the Pedestrian Bridge.

ARTICLE IX  
MAINTENANCE OF COMMON ELEMENTS AND UNITS

9.01 Maintenance of Common Elements.

Except as otherwise provided in this Declaration, the Association, or its duly designated agent, shall maintain the Common Elements and the improvements and landscaping located thereon in good order and repair and shall otherwise manage and operate the Common Elements as it deems necessary or appropriate. In addition, the Association shall ensure that all interior Common Elements are sufficiently heated to prevent the freezing of water and sewer lines serving the Condominium. In this regard the Association may:

- (a) construct, modify, add to, repair, replace or renovate any improvements that are located on or constitute a part of any Common Element;
- (b) plant and replace trees, shrubs and other vegetation on any Common Element;
- (c) place, maintain and replace signs upon any Common Element;
- (d) adopt and enforce Rules and Regulations regulating the use of Common Elements; and
- (e) take any other actions as the Association deems necessary or advisable to protect, maintain, operate, manage or regulate the use of the Common Elements.

9.02 Maintenance of Units.

Each Owner, at such Owner's sole cost and expense, shall maintain in good order and repair its Unit (including all fixtures located therein), and the Limited Common Elements assigned solely to its Unit, other than those Limited Common Elements which the Association chooses to maintain for reasons of uniformity or structural considerations. Without limiting the generality of the preceding sentence, the Association may maintain all exterior patios, roofs, decks, trellises, skylights, parking areas and other such exterior portions of the Condominium, even if such portions are Limited Common Elements appurtenant to a single Unit, and all costs incurred by the Association in that regard may be charged to Owners as Special Assessments in accordance with Section 7.05 above.

9.03 Mechanic's Liens and Indemnification.

No labor performed or materials furnished and incorporated into a Unit with the consent or at the request of an Owner or an agent, contractor or subcontractor of an Owner shall be the basis either for filing a lien against the Unit of any other Owner not expressly requesting or consenting to the same, or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners and any Mortgagee from and against all liability arising from any claim or lien against the Unit of any other Owner or against the Common Elements for construction performed or for labor, materials, services or supplies incorporated in the Owner's Unit at the Owner's request.

9.04 Keystone Village Association.

The rights and obligations of the Association and the Owners under this Article IX are subject to the rights of the Keystone Village Association and the Keystone Architectural and Planning Control Board under the Keystone Village Documents.

ARTICLE X  
COVENANTS, CONDITIONS AND RESTRICTIONS

10.01 Applicability of Covenants, Conditions and Restrictions.

Except as otherwise provided in this Declaration, the covenants, conditions and restrictions set forth in this Article X shall apply to all Units and Common Elements.

10.02 Association Documents.

Each Owner shall comply with, and shall require its Guests to comply with, all provisions of the Association Documents that apply to such Owner or such Owner's Units.

10.03 Keystone Village Documents.

Each Owner shall comply with, and shall require its Guests to comply with, all provisions of the Keystone Village Documents that apply to such Owner or such Owner's Units.

10.04 Notice of Conveyance, Assignment or Encumbrance.

(a) Promptly after a conveyance of a fee simple interest in a Unit or portion thereof, the grantee shall furnish a copy of the conveyance deed to the Association.

(b) Promptly after an encumbrance of a fee simple interest in a Unit or portion thereof, the Owner shall furnish the Association with a copy of the Mortgage creating the encumbrance.

#### 10.05 Use of Units.

(a) Except as otherwise expressly permitted by this Declaration, an Owner may use its Unit only as a permanent or vacation residence for itself and its Guests. No Owner shall lease its Unit for a term longer than sixty days, or for consecutive terms of less than sixty days if such terms, when aggregated, exceed sixty days, without the prior written consent of the Association. The foregoing restriction shall not apply to consecutive short term rentals for vacations. No Owner shall conduct any business, profession, occupation or trade from its Unit, including, without limitation, the operation of a so-called "bed and breakfast" or "chalet".

(b) Notwithstanding the restrictions set forth in paragraph 10.05(a) above:

(i) an Owner may use its Unit as its private office, on the condition that the Owner does not invite others to its Unit to conduct business; and

(ii) the Association and, during the Declarant Control Period, Declarant may use one Unit owned or leased by it as a management office, or a combined management office and residence for a resident manager, for the Condominium;

#### 10.06 Use of Common Elements.

All Owners and their Guests may use the General Common Elements and the Limited Common Elements designed to serve their Units for the purposes for which such Common Elements are intended. Notwithstanding the preceding sentence, neither an Owner nor a Guest may use any Common Element in any manner that unreasonably interferes with the rights of other Owners in and to the Common Elements. Without limiting the generality of the foregoing, no Owner shall cause, or permit its Guests to cause, waste to any Common Element. The Owners' rights to use the Common Elements are subordinate and subject to all of the rights and powers of the Association with respect to the Common Elements, including without limitation, the Association's right and power to adopt rules regulating the use of the Common Elements.

#### 10.07 Alterations.

(a) Except as otherwise expressly provided in this Declaration, an Owner of a Unit may not make any improvement or alteration to a Common Element or any improvement or alteration to its Unit that affects any Common Element or any other Unit, without the prior written consent of the Association. An Owner of a Residential Unit with Lock-Off Capacity may not install a kitchen in the Lock-off Unit without first obtaining the prior written consent of the Declarant and the Summit County Planning Department.

(b) Without limiting the generality of paragraph 10.07 (a) above, an Owner of a Unit may not, without the prior written consent of the Association, install or erect any improvement, mechanical system or fixture, that:

- (i) protrudes beyond the boundaries of the Owner's Unit; or
- (ii) is located wholly outside the Owner's Unit (even if located within a Limited Common Element that is assigned to solely the Owner's Unit).

(c) No new Improvement shall be constructed on the Property and no construction, alteration or installation or other work affecting the exterior surface of any existing Improvement shall be made, except as required or approved by the Keystone Architectural and Planning Control Board, and then only in strict accordance with the terms and conditions of the Keystone Village Documents.

(d) The Association shall perform or make, or cause to be performed or made, any Improvement, construction, alteration, installation or other work on, to or affecting the exterior of any Improvement on the Property which the Keystone Village Association requires, in writing, to be performed or made.

**10.08 Nuisances, Hazardous Activities and Unsightliness.**

(a) No Person shall conduct any activity on the Property which creates a nuisance. Without limiting the generality of the foregoing:

- (i) no lights shall be emitted that are unreasonably bright or cause unreasonable glare;
- (ii) no sound shall be emitted that is unreasonably loud or annoying;
- and
- (iii) no odor shall be emitted that is unreasonably offensive.

(b) No Person shall conduct any activity on the Property which is or might be hazardous to any Person or property. Without limited the generality of the foregoing:

- (i) no open fires shall be allowed to exist;
- (ii) no firearms may be discharged; and
- (iii) no hunting may be conducted.

(c) No unsightliness shall be permitted at the Property. Without limiting the generality of the foregoing:



(i) all exterior mechanical equipment lines, wires, pipes and other facilities shall either be buried or enclosed within a structure approved by the Keystone Architectural and Planning Control Board; and

(ii) all garbage shall be stored in accordance with the terms and conditions of Section 10.14 below.

(d) The Association shall have the power to grant variances from the terms and conditions of this Section 10.08 from time to time as its deems necessary. Normal construction activities shall not be considered to violate the terms and conditions of this Section 10.08.

#### 10.09 Signs.

(a) No signs whatsoever shall be erected or maintained on the Property, except signs required by legal proceedings and those permitted or approved by the Keystone Architectural and Planning Control Board.

(b) Without limiting the generality of paragraph 10.09(a) above, no "For Sale" or "For Rent" signs shall be displayed on the exterior or interior of a Unit.

#### 10.10 Compliance with Laws.

Nothing shall be done or kept at the Property in violation of any law, ordinance, rule, regulation or other requirement of any governmental or quasi-governmental authority.

#### 10.11 Compliance with Insurance.

Except as may be approved in writing by the Association, nothing shall be done or kept at the Property that may result in the cancellation of any insurance maintained by the Association or may result in an increase in the rates of any such insurance.

#### 10.12 Restriction on Subdivision, Rezoning and Timesharing.

(a) No Unit may be subdivided, unless the subdivision has been approved by 100 percent of the votes in the Association.

(b) No application for rezoning any portion of the Property, and no applications for variances or use permits, shall be filed with any governmental or quasi-governmental authority, unless the proposed rezoning has been approved by 100 percent of the votes in the Association and the uses that would be permitted under the rezoning comply with this Declaration and the other Association Documents.

(c) No Owner shall offer or sell any interest in any Unit under a "timesharing" or "interval ownership" plan or similar plan.

(d) The covenants, conditions and restrictions set forth in paragraphs 10.12(a) through (c) above shall not apply to Declarant's development of the Property or to Declarant's exercise of any Special Declarant Right.

10.13 Vehicles and Parking.

(a) No motor vehicle classed by manufacturer rating as exceeding three-quarter ton and no mobile home, trailer, detached camper or camper shell, boat or other similar equipment or vehicle may be kept or parked at the Property.

(b) No motor vehicle shall be constructed, repaired or serviced at the Property.

(c) Each Owner shall park its vehicles, and shall cause its Guests to park their vehicles, in:

(i) the garage located within the Owner's Unit or the reserved parking space identified on the Map as a Limited Common Element appurtenant to the Owner's Unit, if any; and

(ii) the parking spaces that are designated as General Common Elements.

(d) An Owner may not park its vehicles, and shall not permit its Guests to park their vehicles, in:

(i) any parking spaces that are designated as Limited Common Elements assigned to any other Owner's Unit; or

(ii) outside of any designated parking area or on any street or road, or on the shoulder of any street or road located at, on or adjacent to the Property.

(e) The parking spaces that are not designated on the Map as Limited Common Elements are General Common Elements and available to all Owners on a "first come, first serve" basis. Notwithstanding the foregoing, an Owner may not use more than one parking space that is a General Common Element at any time.

(f) An Owner may not store a motor vehicle in any parking space that is designated as a General Common Element when neither the Owner nor its Guest is occupying its Unit.

(g) An Owner may not sell, lease or otherwise convey all or any of the parking rights it has by virtue of its Ownership of a Unit or Membership in the Association, except in connection with the sale, lease or other conveyance of its Unit, and then only to the purchaser or lessor of its Unit.

10.14 Trash, Garbage and Other Waste Materials.

(a) Owners shall store all trash, garbage and other waste materials in accordance with the terms and conditions of this Section 10.14.

(b) All trash, garbage or other waste material shall be stored within collection areas shown on the Map or as otherwise designated by the Association within containers which meet the specifications recommended, adopted or promulgated by the North American Bear Society, the Colorado Department of Wildlife or the U.S. National Park Service for bear-proof trash containers. No trash, garbage or other waste material shall be stored by any Owner in any location not designated as a collection area.

10.15 Exterior Storage.

No Owner shall store any materials or items on or in any Common Element, other than those Common Elements designed for that purpose, and then only in strict accordance with the terms and conditions of the Association Documents.

10.16 Pets.

(a) No Owner may keep any livestock or wild animal within the Condominium. An Owner may keep up to two domestic pets, such as dogs and cats, (and offspring not more than three months old) in its Unit, but only in accordance with the terms and conditions of this Section 10.16.

(b) All dogs must be kept within an Owner's Unit and shall not be permitted on other portions of the Property unless the dog is leashed and under the control of a responsible individual. No kennels, dog runs or other facilities for pets shall be permitted on any portion of the Property.

(c) No Owner shall allow its dogs to run freely. When the dog of an Owner or the Owner's Guest leaves the Owner's Unit, the dog must be leashed and under the control of a responsible individual. Leashes shall be no longer than twelve feet in length.

(d) Dogs and other pets must be fed within an Owner's Unit. Dogs and other pets may not be fed outside an Owner's Unit.

(e) The Association shall enforce the covenants, conditions and restrictions set forth in this Section 10.16. The covenants, conditions and restrictions set forth in this

Section 10.16 may also be enforced by Summit County, Colorado, and the Colorado Department of Wildlife. If an Owner or its Guests violate any of the covenants, conditions and restrictions set forth in this Section 10.16, the Association may remove the pet from the Property and/or fine the Owner \$250 for any second violation and \$500 for each subsequent violation, in addition to pursuing any and all other rights and remedies the Association has under this Declaration.

10.17 Wildlife.

- (a) All Owner's shall obtain and review the following publications:
  - (i) Living with Wildlife in Bear Country prepared by the Colorado Department of Wildlife;
  - (ii) Living with Wildlife in Mountain Lion Country prepared by the Colorado Department of Wildlife; and
  - (iii) Keystone's Living with Wildlife Guide,

and follow the applicable recommendations set forth therein.

- (b) No Owner nor its Guests may feed, bait, salt or otherwise attempt to attract wildlife to the Property.

10.18 Solid-Fuel Burning Devices; Barbeques; Combustibles.

- (a) No solid-fuel burning devices, such as charcoal grills, and wood burning stoves or fireplaces, shall be used, kept or stored on the Property.
- (b) No gas fueled, electric or other barbeque grill or similar grill or cooking apparatus shall be kept, stored or used on any balcony or deck appurtenant to any Unit.
- (c) No fuel sources, combustible materials, or ignition sources shall be kept, stored or used on or under any balcony or deck appurtenant to any Unit.

10.19 Declarant's Exemption.

Nothing contained in this Declaration or in any other Association Document shall be construed to prevent:

- (a) Declarant's exercise and enjoyment of any Special Declarant Right or any other rights of Declarant under this Declaration or any other Association Document; or

(b) the conduct by Declarant or its employees or agents of any activity, including, without limitation, the erection or maintenance of temporary structures, trailers, improvements or signs, necessary or convenient to the development, construction, marketing or sale of property within or adjacent to the Condominium.

## ARTICLE XI EASEMENTS AND RESERVATIONS

### 11.01 Declarant's Easements Over Common Elements.

(a) Declarant hereby reserves for itself, its successors and assigns a general easement over, across, through and under the Common Elements to:

- (i) discharge Declarant's obligations under this Declaration;
- (ii) exercise any of Declarant's rights under this Declaration; and
- (iii) make improvements at the Property, the Additional Property or any other real estate owned by Declarant, including without limitation, the right to temporarily close or restrict access to portions of the Property and the Additional Property in connection with such improvements.

(b) Declarant hereby reserves for itself, its successors and assigns, the right to:

- (i) establish from time to time utility, drainage, access and other easements, permits or licenses over, across, through and under the Common Elements for Declarant or other Persons; and
- (ii) create other reservations, exceptions and exclusions for the best interests of Declarant and other Persons,

on the conditions that (A) the parties benefitted by the easement, license, permit, reservation, exception or exclusion must use reasonable efforts to locate any such easement, license, permit, reservation, exception or exclusion to minimize interference with the use of the Property by the Owners to the extent practicable; and (B) if the parties benefitted by the easement, license, permit, reservation, exception or exclusion construct or install any improvements on the Property pursuant to the same, the benefitted parties shall promptly repair any damage caused to the Property thereby at their sole cost and expense.

(c) In addition, until such time as Declarant adds any portion of the Additional Property to the Condominium, and after such time as Declarant withdraws any portion of the Property from the Condominium, Declarant shall have whatever easements as are reasonably necessary or desirable across the Property for access to and utility services for the Additional Property or the portion of the Property withdrawn from the Condominium, as the case may be.

#### 11.02 Utility Easement.

(a) Subject to the terms and conditions of this Declaration and all other Association Documents, Declarant hereby creates a general easement over, across, through and under the Property for ingress to, egress from, and installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity and cable communication that service the Property or any portion thereof as well as any such lines and systems which service property owned by Declarant or the Keystone Village Association.

(b) Pursuant to this easement, a utility or service company may install and maintain facilities and equipment on the Property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of Improvements to provide service to the Units or the Common Elements. Notwithstanding anything to the contrary contained in this Section 11.02, no sewers, electrical lines, water lines or other utilities or service lines may be installed or relocated on any portion of the Property, except in accordance with terms and conditions of Section 10.07 above. Any utility or service company using this general easement shall use its best efforts to install, repair, replace and maintain its lines and systems without disturbing the uses of Owners, the Association, Declarant and other utility and service companies.

(c) If any utility or service company furnishing utilities or services to the Property or any portion thereof or property of Declarant or the Keystone Village Association as permitted under paragraph 11.02(a) above requests a specific easement by separate recordable document, the Association shall have the right and authority, but not the obligation, to grant such easement over, across, through and under any portion of the Property.

#### 11.03 Association's Easements.

(a) The Association shall have a general easement over, across, through and under each Unit and each Common Element to:

(i) exercise any right held by the Association under this Declaration or any other Association Document; and

(ii) perform any obligation imposed upon the Association by this Declaration or any other Association Document.

(b) Notwithstanding the foregoing, the Association shall not enter any Unit under the easements described in paragraph 11.03 (a) above without reasonable prior notice to the Owner thereof, except in cases of emergency.

11.04 Easements for Encroachments.

To the extent that any Unit or Common Element encroaches on any other Unit or Common Element, an easement shall exist for that encroachment, but such easement shall not relieve an Owner of liability in the case of willful misconduct.

11.05 Emergency Access Easement.

Declarant hereby grants a general easement to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or Persons to enter upon the Property in the proper performance of their duties.

11.06 Metro District Easement.

Declarant hereby grants a general easement to any metropolitan district or other special district providing services or facilities to the Property to enter upon the Property in the proper performance of their duties.

11.07 Ski Lift Easement.

The Property is subject to that certain Tramway Easement Agreement between Declarant and Vail Summit Resorts, Inc., which creates an easement between Buildings D and E of the Condominium in the location set forth in the Easement, and a blanket easement, both for the benefit of the Resort Operator, for the construction, installation, operation, maintenance, repair and replacement of a ski lift connecting the Keystone Village to the Keystone Ski Area. The Resort Operator (a) has not obtained the approvals required for any such lift, (b) has no obligation to obtain such approvals, (c) may never obtain such approvals, and (d) has no obligation to construct the lift even if it obtains such approvals.

11.08 Recorded Easements and Licenses.

The Property shall be subject (a) all easements and licenses as shown on any recorded plat affecting the Property and (b) any other easements or licenses of record or of use as of the date of recordation of this Declaration. The recording data for all presently recorded easements and licenses appurtenant to or included in the Condominium have been set forth on Exhibit E attached hereto. In addition, the Property is subject to all easements created or permitted by this Declaration.

## ARTICLE XII INSURANCE

### 12.01 Insurance Required to be Obtained by the Association.

The Association shall obtain and maintain all insurance required to be obtained and maintained by the Association under the Act and any additional insurance that the Executive Board deems necessary.

### 12.02 Casualty Insurance for Improvements.

(a) The Association shall obtain and maintain casualty insurance for all Improvements located on or forming a part of the Common Elements, including, without limitation, the structural and mechanical components serving the Units, in accordance with the requirements set forth in Section 12.01 above.

(b) Owners shall be responsible for obtaining and maintaining any casualty insurance that they desire for Improvements located in or forming a part of their Units, and for any fixtures, furnishings and equipment, other than fixtures and equipment that are part of the Common Elements, located within their Units.

### 12.03 Adjustments.

Any loss covered by insurance maintained by the Association shall be adjusted with the Association in accordance with the terms and conditions of the Act. The insurance proceeds for any such loss shall be paid in accordance with the terms and conditions of the Act.

## ARTICLE XIII CASUALTY

### 13.01 Casualty to Common Elements.

The Association shall respond to any damage to, or destruction of, any Common Elements in accordance with the terms and conditions of the Act.

### 13.02 Casualty to a Unit.

To the extent that the Association is not obligated to make any such repairs or replacements, each Owner of a Unit shall repair or replace any damage to or destruction to the interior of his Unit, as soon as is reasonably practical after such damage or destruction occurs.



## ARTICLE XIV CONDEMNATION

### 14.01 Condemnation of all Units.

If the entire Condominium is taken by condemnation or similar proceeding, the Condominium shall terminate as of the date of the taking and any condemnation award payable in connection therewith shall be paid to the Association and then disbursed by the Association in accordance with the terms and conditions of the Act.

### 14.02 Condemnation of Fewer Than All Units.

If one or more Units, but less than the entire Condominium, is taken by condemnation or similar proceeding:

- (a) any condemnation award payable in connection therewith shall be paid;
- (b) the Interests in Common Elements appurtenant to those Units shall be reallocated; and
- (c) the Shares of Common Expenses allocated to those Units shall be reallocated,

in accordance with the terms and conditions of the Act.

### 14.03 Condemnation of Common Elements.

(a) If any Common Element is taken by condemnation or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Association and used by the Association:

(i) first, to repair any damage to Common Elements resulting from the condemnation or similar taking; and

(ii) second, for any other Common Expenses.

(b) The Association shall not be required to pay all or any portion of the condemnation award received for the condemnation or similar taking of a Limited Common Element to the Owners of the Units served by such Limited Common Element, unless the Association deems it necessary or appropriate to do so.

ARTICLE XV  
SPECIAL DECLARANT RIGHTS

15.01 Improvements.

Declarant hereby reserves for itself, its successors and assigns the right, but is not obligated, to construct:

(a) any improvements shown on the Map, as the same may be amended from time to time; and

(b) subject to the conditions set forth in paragraph 11.01(b) above, any other buildings, structures or improvements that Declarant desires to construct on the Property, the Additional Property or any other real estate owned by Declarant, regardless whether the same ever become part of the Condominium.

15.02 Development Rights.

(a) Declarant hereby reserves for itself, its successors and assigns:

(i) the right to amend this Declaration to add additional real estate to the Condominium as permitted pursuant to section 38-33.3-222 of the Act;

(ii) the right to amend this Declaration to add all or any portion of the Additional Property to the Condominium;

(iii) the right to amend this Declaration to create up to 40 additional Units and certain additional Common Elements on all or any portion of the Property, the Additional Property or any other real estate that the Declarant may add to the Condominium pursuant to subparagraph 15.02(a)(i) above;

(iv) the right to subdivide any Unit owned by Declarant;

(v) the right to combine any Units owned by Declarant;

(vi) the right to convert any Unit owned by Declarant into Common Elements;

(vii) the right to withdraw from the Condominium any real estate owned by Declarant and located within the Property prior to the conveyance of a Unit located within the Property to a Purchaser and, after the addition of any portion of the Additional Property or other real property to the Condominium, the right to withdraw any real estate owned by Declarant and located within such portion at any time prior to the conveyance of a Unit located in such portion to a Purchaser; and

(viii) the right to remove from the Additional Property all or any portion of the Additional Property prior to its inclusion in Condominium pursuant to 15.02(a)(ii) above.

(b) In exercising any development right reserved hereunder, Declarant shall execute and record an amendment to this Declaration in accordance with the requirements of the Act.

15.03 Sales Offices and Model Homes.

Declarant hereby reserves for itself, its successors and assigns the right to maintain sales offices, management offices and models within any Unit owned or leased by Declarant. Declarant also reserves for itself, its successors and assigns the right to construct and maintain signs advertising the Condominium on any and all Common Elements.

15.04 Merger.

Declarant hereby reserves for itself and its successors and assigns the right to merge or consolidate the Condominium with any other condominium.

15.05 Exercising Special Declarant Rights.

Declarant may exercise its Special Declarant Rights at any time prior to the later to occur of the date on which the Declarant Control Period expires or the date that is fifty years after the date on which this Declaration is recorded in the Summit County Records. Declarant may exercise its Special Declarant Rights in any order, and no assurance is given as to the order in which Declarant will exercise its Special Declarant Rights. If Declarant exercises any Special Declarant Right with respect to any portion of the Property or the Additional Property, Declarant may, but is not obligated to, exercise that Special Declarant Right with respect to any other portion of the Property or the Additional Property. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this Article XV and any other right reserved to Declarant in this Declaration, without the consent of the Association or of any of the Owners.

15.06 Interference with Special Declarant Rights.

Neither the Association nor any Owner may take any action or adopt any Rule or Regulation that interferes with or diminishes any Special Declarant Right, without Declarant's prior written consent. Any action taken in violation of this Section 15.06 shall be null and void and have no force or effect.

15.07 Rights Transferable.

Declarant may transfer any Special Declarant Right reserved to it under this Article XV or under any other provision of this Declaration in accordance with the terms and conditions of the Act.

ARTICLE XVI  
MORTGAGEE PROTECTIONS

16.01 Benefit of Mortgagees.

This Article establishes certain standards and covenants which are for the benefit of Mortgagees. This Article is supplemental to, and not in substitution of, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.

16.02 Notice of Actions.

If requested in writing to do so, the Association shall give prompt written notice of the following to each First Mortgagee making such request:

- (a) any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Unit in which an interest is held by the First Mortgagee;
- (b) any delinquency in the payment of Assessments which remains uncured for sixty days by an Owner whose Unit is encumbered by a First Mortgage held by such First Mortgagee;
- (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) any proposed action which would require the consent of First Mortgagees as set forth in this Article; and
- (e) any judgment rendered against the Association.

16.03 Consent Required.

Notwithstanding anything to the contrary contained in this Declaration, the Association may not take any of the following actions without the consent of 67 percent of the First Mortgagees (based on one vote for each Unit encumbered by a First Mortgage held):

- (a) by act or omission seek to abandon or terminate the Condominium, except after condemnation or substantial casualty;

(b) except as provided herein for condemnation, casualty, and the exercise of Special Declarant Rights, change the Interests in General Common Elements, Shares of Common Expenses or votes in the Association of any Unit;

(c) subdivide, partition, or relocate the boundaries of any Unit, except as permitted with respect to Special Declarant Rights;

(d) abandon, subdivide, partition, encumber, sell, or transfer the Common Elements (the granting of easements for public utilities or for other purposes provided for in this Declaration shall not be deemed transfers);

(e) use hazard insurance proceeds for losses to any portion of the Common Elements for other than repair, replacement, or reconstruction of the Common Elements, except as provided by the Act; or

(f) merge the Condominium with any other common interest community, except as permitted with respect to Special Declarant Rights.

#### 16.04 Notice of Objection.

Unless a First Mortgagee provides the Association with written notice of its objection, if any, to any proposed amendment or action requiring the approval of First Mortgagees within thirty days following the receipt of notice of such proposed amendment or action, the First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

#### 16.05 First Mortgagees' Rights.

(a) First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Elements or improvements thereon, and may pay overdue premiums on hazard insurance policies, for the Common Elements. First Mortgagees making such payment shall be owed immediate reimbursement from the Association.

(b) A First Mortgagee shall be entitled to cure any delinquency of the Owner of a Unit encumbered by its First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

#### 16.06 Limitations on First Mortgagee's Rights.

No requirement for approval or consent by a First Mortgagee provided in this Article shall operate to:

(a) deny or delegate control over the general administrative affairs of the Association by the Owners or the Executive Board;

(b) prevent the Association or the Executive Board from commencing, intervening and/or settling any legal proceeding; or

(c) prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the requirements of the Article XII above.

16.07 Declarant Rights.

No provision or requirement of this Article XVI shall apply to any Special Declarant Rights or other rights reserved to Declarant in this Declaration.

ARTICLE XVII  
ENFORCEMENT AND REMEDIES

17.01 Enforcement.

(a) Each provision of this Declaration with respect to the Association or the Common Elements shall be enforceable by Declarant or by any Owner by a proceeding for injunctive relief.

(b) Each provision of this Declaration with respect to an Owner or a Unit shall be enforceable by Declarant or the Association by:

(i) a proceeding for injunctive relief;

(ii) a suit or action to recover damages; or

(iii) in the discretion of the Association, for so long as any Owner fails to comply with any such provisions, exclusion of such Owner and its Guests from the use of any Common Elements and from participation in any Association affairs.

(c) In addition to the rights and remedies described in paragraph 17.01(b) above, if an Owner fails to perform or observe any covenant or condition to be performed or observed by such Owner under this Declaration or any other Association Document, the Association shall have the following rights and remedies:

(i) The Association may, but is not obligated to, cure such failure to comply at the Owner's sole cost and expense. If the Association cures any such failure to comply, the Owner shall pay to the Association the amount of all costs incurred by the Association in connection therewith within thirty days after the Owner receives a written invoice therefor from the Association.

(ii) The Association may, after notice and an opportunity to be heard, fine the Owner, as a Default Assessment, an amount not to exceed \$100 for each violation. The Owner shall pay any such fine to the Association within thirty days after the Owner receives written invoice therefor from the Association.

(iii) With respect to an Owner's failure to pay an installment of any Assessment, the Association may accelerate the due date for the payment of the full amount of the Assessment.

(iv) The Association shall have all other rights and remedies available to it under this Declaration, at law or in equity.

(d) All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

#### 17.02 Attorneys' Fees.

In the event of any dispute under or with respect to this Declaration or any other Association Document, the prevailing party shall be entitled to recover from the nonprevailing party all of its costs and expenses in connection therewith, including, without limitation, the fees and disbursements of any attorneys, accountants, engineers, appraisers or other professionals engaged by the prevailing party.

#### 17.03 Interest.

If an Owner fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Owner shall pay to the Association interest on such unpaid amount at the rate of 18 percent per annum, or such other rate as the Executive Board may establish from time to time, from the due date of such unpaid amount until the date paid.

#### 17.04 Right to Notice and Hearing.

Whenever an Association Document requires that an action be taken after "notice and hearing," the following procedure shall be observed. The party proposing to take the action (e.g., the Executive Board or a committee or officer of the Association) shall give at least three days' prior written notice of the proposed action to all Owners whose interests would be significantly affected by the proposed action as reasonably determined by the proposing party. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the party proposing to take action, and all affected Owners, may give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. Any affected Owner shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner having a right to notice and

hearing shall have the right to appeal to the Executive Board from a decision of a proposing party other than the Executive Board. Such right of appeal may be exercised within ten days after an Owner receives notice of the decision, by filing a written notice of appeal with the Executive Board. The Executive Board shall conduct a hearing within forty-five days thereafter, giving the same notice and observing the same procedures as were required for the original hearing.

17.05 Nonwaiver.

Failure by Declarant, the Association or any Owner to enforce any covenant, condition, restriction, reservation, easement, assessment, charge, lien or other provision of this Declaration or in any other Association Document shall in no way be deemed to be a waiver of the right to do so thereafter.

ARTICLE XVIII  
TERM AND AMENDMENTS

18.01 Term.

The covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration shall run with and bind the Property until the Declaration is terminated pursuant to Section 18.02 below.

18.02 Termination.

(a) Subject to the rights of Mortgagees under Article XVI above, the Owners may terminate the Condominium and this Declaration, by the vote of 67 percent of the votes allocated to all Units. If the necessary votes are obtained, the agreement of the Owners to terminate the Condominium and this Declaration shall be evidenced by a termination agreement or ratification thereof, executed by the required number of Owners in accordance with the Act. Upon recordation of the termination agreement in the Summit County Records, the Condominium shall be terminated, this Declaration shall have no further force or effect, and the Association shall be dissolved.

(b) Notwithstanding the foregoing, the Owners may not terminate the Condominium during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

(c) Notwithstanding the foregoing, a termination of this Declaration or the Condominium shall not release the Property from the easements, covenants, conditions and restrictions set forth in Articles XI and XV hereof and such easements, covenants, conditions and restrictions shall survive the termination of this Declaration, unless Declarant consents to the release thereof in writing.



18.03 Amendments.

(a) Except for provisions of this Declaration regarding the rights and obligations of Declarant, which may not be amended without Declarant's prior written consent, and subject to the rights of Mortgagees under Article XVI above, Owners may amend any provision of this Declaration at any time by a vote of at least 67 percent of the votes allocated to all Memberships. If the necessary votes and consent are obtained, the Association shall cause an amendment to the Declaration to be recorded in the Summit County Records in accordance with the terms and conditions of the Act. Notwithstanding the foregoing, the Owners may not amend this Declaration during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

(b) Notwithstanding the terms and conditions of paragraph 18.03(a) above, the Declarant may, without the approval of the Owners, amend:

(i) this Declaration and the Map to correct clerical, typographical, technical or other errors;

(ii) this Declaration to comply with the requirements, standards or guidelines of recognized secondary mortgage markets, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, the Federal Home Loan Mortgage Corporation, the government National Mortgage Association or the Federal National Mortgage Association; and

(iii) this Declaration or the Map as otherwise provided by this Declaration or the Act.

(c) Notwithstanding the foregoing, the terms and conditions of Articles XI and XV may not be amended without the prior written consent of Declarant, and Article XIX may not be amended without the prior written consent of Declarant and the Resort Owner.

ARTICLE XIX

ACKNOWLEDGMENTS AND AGREEMENTS REGARDING KEYSTONE RESORT

19.01 Keystone Resort.

The Condominium is located in the vicinity of the Keystone Resort and adjacent to a proposed expansion of to the Keystone Resort, a four season resort with skiing, snowboarding, tubing, snowshoeing, mountain biking, hiking and other recreational and entertainment activities and facilities. The operation of the Keystone Resort may create certain nuisances and risks to the Condominium, the Owners and their Guests, including but not limited to, offensive noises, lighting and odors, damage to real and personal property, and personal injury.

**19.02 Acknowledgments Regarding the Keystone Resort by Unit Owners.**

By accepting a deed to a Unit (whether or not it is expressly stated in the deed), an Owner acknowledges that:

- (a) no representations or warranties have been made by Declarant, Resort Owner or any other person with regard to the present or future ownership, operation or configuration of, or right to use the Keystone Resort, whether or not depicted on any plat or land use plan, sales brochure or other marketing material or display;
- (b) the present or future ownership, operation or configuration of, or right to use any Keystone Resort facility may change at any time and from time to time for any reason including, without limitation, the sale or assignment of operations of the Keystone Resort, or a portion thereof;
- (c) no Owner shall have any right to use any Keystone Resort facility, including without limitation, the Keystone Resort ski area, solely by virtue of his, her or its ownership of a Unit;
- (d) there is no guarantee that the view over or across any portion of the Keystone Resort will be forever preserved without impairment;
- (e) Declarant and Resort Owner have no obligation to prune or not prune trees or other landscaping and Resort Owner may change or relocate any Keystone Resort facility or other improvement or landscaping at any time without liability to any Owner;
- (f) there is no guarantee that ski in and ski out access to the Keystone Resort will exist or be forever preserved without impairment and Resort Owner may need to temporarily or permanently close or relocate such access;
- (g) the Resort Owner (i) has not yet obtained the approvals that are required for the proposed expansion to the Keystone Resort; (ii) has no obligation to obtain those approvals; and (iii) may never obtain those approvals;
- (h) the Resort Owner has no obligation to pursue or complete the proposed expansion to the Keystone Resort and, even if the Resort Owner obtains the approvals required for the proposed expansion, the Resort Owner may, in its sole and absolute discretion, choose not to pursue or complete the proposed expansion or any other expansion to the Keystone Resort; and
- (i) neither Declarant, Resort Owner, nor any of their respective officers, directors, members, employees, agents or independent contractors have made any representations regarding the proposed expansion of the Keystone Resort that are inconsistent with the statements set forth in paragraphs 19.02(a) through (h) above, and the Owner did not rely on any such inconsistent statement in making its decision to purchase its Unit.

19.03 Potential Disturbances and Nuisances from Adjacent Keystone Resort Uses.

By accepting a deed to a Unit (whether or not it is expressly stated in the deed), an Owner understands and agrees that:

- (a) the Condominium is located in the vicinity of the Keystone Resort and adjacent to a proposed expansion of the Keystone Resort;
- (b) the Keystone Resort invites large numbers of people who may be entering, exiting and using the Keystone Resort on various days of the week, including weekends, at any time of the day or night;
- (c) the Keystone Resort may have exterior lighting and amplified exterior sound and may be regularly used for recreational and entertainment events on various days of the week, including weekends, at any time of the day or night;
- (d) the Keystone Resort may invite its invitees to participate in various activities, including without limitation, skiing, snowboarding, tubing, snowshoeing, mountain biking, hiking and other recreational activities, which may be conducted at any time of the day or night, seven days a week;
- (e) skiers, snowboarders, tubers, snowshoers, mountain bikers, hikers and other Keystone Resort users may not confine themselves to the Keystone Resort and may stray onto the Property;
- (f) Keystone Resort property and related improvements and facilities may require maintenance, including grooming, snowmaking, mowing, and irrigation, involving the use of tractors, mowers, blowers, pumps, compressors, utility vehicles and over-the-snow vehicles, at any time of the day or night, seven days a week;
- (g) overspray from the Keystone Resort snowmaking system and drainage and water runoff from the Keystone Resort may enter upon the Property;
- (h) ski lifts, ski trails, maintenance facilities, snowmaking equipment and other Keystone Resort facilities may be attractive nuisances to children;
- (i) pesticides, fertilizers and other chemicals may be utilized in connection with the operation of the Keystone Resort and related landscaping, vegetation and revegetation; and
- (j) noisy electric, gasoline and other power maintenance and snowmaking equipment, ski lifts, sprinkler and other irrigation systems may be operated by the Resort Owner at any time during the day or night.

The foregoing list is not intended to be exhaustive or inclusive of all matters that may affect the Property (whether now or in the future) or an Owner's use and enjoyment of a Unit.

**19.04 Assumption of Risk, Release, Waiver and Hold Harmless.**

(a) By accepting a deed to a Unit (whether or not it is expressly stated in the deed), an Owner acknowledges and agrees that:

(i) the location of the Condominium in the vicinity of the Keystone Resort and adjacent to a proposed expansion of the Keystone Resort may result in nuisances or hazards to persons and property and the use of the Keystone Resort by others may result in property damage, personal injury or death to persons on the Property due to errant skiers, snowboarders, mountain bikers and other Keystone Resort users or acts or omissions incidental to the operation of the Keystone Resort;

(ii) the Owner and its Guests do knowingly and voluntarily assume all risks associated with such location, including without limitation, the risks of nuisance, inconvenience and disturbance, as well as property damage, personal injury or death arising from errant skiers, snowboarders, mountain bikers and other users of the Keystone Resort or actions or omissions incidental to the operation of the Keystone Resort; and

(iii) neither Declarant, the Keystone Neighbourhood Company, Resort Owner, any other owner, operator or concessionaire of all or any part of the Keystone Resort nor any of their respective employees, agents, invitees, licensees, contractors, successors and assigns shall be responsible or accountable for, or have any liability for any claims, causes of action, losses, damages, costs (including attorneys fees) or expenses for any nuisance, inconvenience, disturbance or property damage or personal injury arising from errant skiers, snowboarders, mountain bikers or other users of the Keystone Resort or any actions or omissions incidental to the operation of the Keystone Resort.

(b) By accepting a deed to a Unit (whether or not it is expressly stated in the deed), each Owner agrees to indemnify and hold harmless Declarant, the Neighbourhood Company, Resort Owner, any owner, operator or concessionaire of all or any part of the Keystone Resort, and their respective shareholders, members, partners, agents, officers, directors, employees, contractors, successors and assigns of, from and against any and all losses, damages, costs, expenses or liabilities related to or arising in connection with, any claims, actions, causes of action, liability, suits or demands of or by the Owner or its family members or Guests for any disturbance, inconvenience, noise, nuisance, personal injury, sickness or death or property damage, resulting from, or associated with, the use, maintenance and operation of the Keystone Resort, including without limitation, any of the activities, occurrences, conditions, state of facts, events or situations related thereto.

**THIS RELEASE IS INTENDED TO BE A COMPREHENSIVE RELEASE OF LIABILITY BUT IS NOT INTENDED TO ASSERT DEFENSES WHICH ARE**

**PROHIBITED BY LAW. NOTWITHSTANDING THE FOREGOING, THIS SECTION SHALL NOT LIMIT THE LIABILITY OF INDIVIDUAL SKIERS, SNOWBOARDERS, OR OTHERS USING THE KEYSTONE RESORT PROPERTY.**

**ARTICLE XX  
MISCELLANEOUS**

**20.01 Interpretation of the Declaration.**

Except for judicial construction, the Association, by its Executive Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefitted or bound by the covenants and the provisions hereof.

**20.02 Severability.**

Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity and enforceability of any other provision hereof.

**20.03 Disclaimer of Representations.**

Notwithstanding anything to the contrary contained in this Declaration, Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the complete development of the Condominium can or will be carried out or that any land now owned or hereafter acquired by Declarant is or will be subject to this Declaration, or that any such land, whether or not it has been subjected to this Declaration, is or will be committed to or developed for a particular use, or that if such land is once used for a particular use or that such use will continue in effect.

**20.04 Reference to Declaration and Deeds.**

Deeds to and instruments affecting any Unit or any other part of the Condominium may contain the provisions set forth herein by reference to this Declaration, but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth herein shall be binding upon the grantee-owner or other person claiming through any deed or other instrument and his or her heirs, executors, administrators, successors and assigns.

20.05 Successors and Assigns of Declarant.

Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder on the condition that Declarant's rights and powers may only be assigned by a written recorded instrument expressly assigning such rights and powers.

20.06 Captions and Titles.

All captions and titles of headings of Articles and Sections in this Declaration are for the purpose of reference and convenience and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

20.07 Exhibits.

All exhibits attached to this Declaration are a part of, and are incorporated into, this Declaration.

20.08 Governing Law.

This Declaration shall be governed by and construed in accordance with Colorado law.

20.09 Notices.

All Owners of each Unit shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or the representative of the Owners of a Unit shall furnish such registered address to the secretary of the Association within ten days after transfer of title to the Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of all Owners of the Unit. If no address is registered or if all of the Owners cannot agree, then the address of the Unit shall be deemed their registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Unit. All notices and demands intended to be served upon the Association shall be sent to the following address or such other address as the Association may designate from time to time by notice to the Owner(s):

The Seasons at Keystone Association  
c/o Keystone Resort Property Management  
P. O. Box 38  
Keystone, Colorado 80435  
Attention: Secretary

20.10 Waivers.

No waivers by the Association of any right of the Association shall constitute a waiver by the Keystone Village Association of any right of the Keystone Village Association.

20.11 Priority of Keystone Village Documents.


This Declaration and the other Association Documents shall be subject and subordinate to the Keystone Village Documents. If there is any conflict or inconsistency between the terms and conditions of this Declaration or any of the other Association Documents and the terms and conditions of the Keystone Village Documents, the terms and conditions of the Keystone Village Documents shall control. The terms and conditions of this Section 19.10 may not be amended or deleted without the prior written consent of the Keystone Village Association.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Declarant has caused its name to be signed by the signature of its duly authorized official as of the day and year first written above.

KEYSTONE/INTRAWEST L.L.C., a Delaware  
limited liability company

By: Intrawest Resorts, Inc., a Delaware  
corporation, its Manager

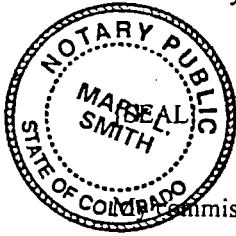
By:   
Michael O'Connor, Vice President



COUNTY OF ~~SUMMIT~~ <sup>Denver</sup> ) ss.  
 )

On this 15 day of January, 2003 before me, personally appeared Michael O'Connor, who acknowledged himself to be the Vice President of Intrawest Resorts, Inc., a Delaware corporation, Manager of Keystone/Intrawest L.L.C., a Delaware limited liability company, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation as Manger of the limited liability company, by himself as such officer.

Witness my hand and official seal.



Mary Smith  
Notary Public

Commission expires: 5/15/04

EXHIBIT A

(Attached to and forming a part of Declaration of Covenants, Conditions  
and Restrictions for The Seasons at Keystone)

LEGAL DESCRIPTION OF THE PROPERTY

Tract A, Final Plat of The Seasons at Keystone, recorded September 8,  
2000, under Reception No. 632101 in the Office of the Clerk and  
Recorder of Summit County, Colorado

A-1

00072999.WPD 7

EXHIBIT B

(Attached to and forming a part of Declaration of Covenants, Conditions  
and Restrictions for The Seasons at Keystone)

ADDITIONAL PROPERTY

LEGAL DESCRIPTION

ADDITIONAL PROPERTY - PARCEL 1

A TRACT OF LAND (PARCEL 1) BEING A PORTION OF TRACT A, THE SEASONS AT  
KEYSTONE, ACCORDING TO THE PLAT RECORDED SEPTEMBER 8, 2000 AT  
RECEPTION NUMBER 632101 IN THE OFFICE OF THE CLERK AND RECORDER,  
COUNTY OF SUMMIT, STATE OF COLORADO, AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT A; THENCE ALONG  
THE NORTH BOUNDARY OF SAID TRACT A FOR THE FOLLOWING TWO (2)  
COURSES:

- 1.) S81°23'54"E A DISTANCE OF 68.51 FEET;
- 2.) N77°37'48"E A DISTANCE OF 54.39 FEET;

THENCE S59°04'22"E A DISTANCE OF 73.62 FEET TO THE POINT OF BEGINNING FOR  
PARCEL 1; THENCE ALONG THE BOUNDARY OF SAID PARCEL 1 FOR THE  
FOLLOWING SEVEN (7) COURSES:

- 1.) N72°41'38"E A DISTANCE OF 23.28 FEET;
- 2.) N81°41'41"E A DISTANCE OF 94.82 FEET;
- 3.) S29°34'28"E A DISTANCE OF 39.70 FEET;
- 4.) S10°38'00"W A DISTANCE OF 50.11 FEET;
- 5.) S66°18'00"W A DISTANCE OF 36.11 FEET;
- 6.) N89°47'06"W A DISTANCE OF 76.84 FEET;
- 7.) N12°01'22"W A DISTANCE OF 79.12 FEET TO THE POINT OF  
BEGINNING, CONTAINING 10,715 SQUARE FEET OR 0.246 ACRES,  
MORE OR LESS.

LEGAL DESCRIPTION

ADDITIONAL PROPERTY - PARCEL 2

A TRACT OF LAND (PARCEL 2) BEING A PORTION OF TRACT A, THE SEASONS AT KEYSTONE, ACCORDING TO THE PLAT RECORDED SEPTEMBER 8, 2000 AT RECEPTION NUMBER 632101 IN THE OFFICE OF THE CLERK AND RECORDER, COUNTY OF SUMMIT, STATE OF COLORADO, AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT A; THENCE S67°45'33"E A DISTANCE OF 807.02 FEET TO A POINT OF CURVATURE ON THE SOUTH BOUNDARY OF SAID TRACT A, ALSO BEING THE NORTH RIGHT-OF-WAY LINE FOR WEST KEYSTONE ROAD; THENCE N84°55'56"E ALONG SAID LINE A DISTANCE OF 95.89 FEET; THENCE N05°04'04"W A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING FOR PARCEL 2; THENCE ALONG THE BOUNDARY FOR SAID PARCEL 2 FOR THE FOLLOWING SEVEN (7) COURSES:

- 1.) N09°35'44"W A DISTANCE OF 87.56 FEET;
- 2.) N75°48'19"E A DISTANCE OF 16.15 FEET;
- 3.) 57.07 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 12°41'55", A RADIUS OF 257.50 FEET, AND A CHORD WHICH BEARS N82°09'17"E 56.53 FEET DISTANCE;
- 4.) S75°00'00"E A DISTANCE OF 48.92 FEET;
- 5.) S09°35'44"E A DISTANCE OF 70.25 FEET;
- 6.) S68°07'07"W A DISTANCE OF 20.00 FEET;
- 7.) S84°55'56"W A DISTANCE OF 98.27 FEET TO THE POINT OF BEGINNING, CONTAINING 10,401 SQUARE FEET OR 0.239 ACRES, MORE OR LESS.

## LEGAL DESCRIPTION

### ADDITIONAL PROPERTY - PARCEL 3

A TRACT OF LAND (PARCEL 3) BEING A PORTION OF TRACT A, THE SEASONS AT KEYSTONE, ACCORDING TO THE PLAT RECORDED SEPTEMBER 8, 2000 AT RECEPTION NUMBER 632101 IN THE OFFICE OF THE CLERK AND RECORDER, COUNTY OF SUMMIT, STATE OF COLORADO, AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT A; THENCE S77°51'41"E A DISTANCE OF 1251.60 FEET TO A POINT OF CURVATURE ON THE SOUTH BOUNDARY OF SAID TRACT A, ALSO BEING A POINT ON THE NORTH RIGHT-OF-WAY LINE FOR WEST KEYSTONE ROAD; THENCE S84°55'56"W ALONG SAID LINE A DISTANCE OF 111.90 FEET; THENCE N05°04'04"W A DISTANCE OF 22.50 FEET TO THE POINT OF BEGINNING FOR PARCEL 3; THENCE ALONG THE BOUNDARY FOR SAID PARCEL 3 FOR THE FOLLOWING TWENTY (20) COURSES:

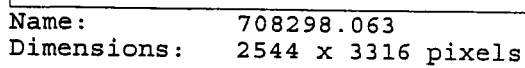
- 1.) N05°04'04"W A DISTANCE OF 22.00 FEET;
- 2.) N68°10'45"W A DISTANCE OF 80.71 FEET;
- 3.) N60°00'00"W A DISTANCE OF 24.72 FEET;
- 4.) 77.29 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 45°25'20", A RADIUS OF 97.50 FEET, AND A CHORD WHICH BEARS N65°20'47"W 75.29 FEET DISTANT;
- 5.) N88°03'27"W A DISTANCE OF 27.74 FEET;
- 6.) 27.08 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 05°18'17", A RADIUS OF 292.50 FEET, AND A CHORD WHICH BEARS S89°17'24"W 27.07 FEET DISTANT;
- 7.) N03°21'44"W A DISTANCE OF 50.00 FEET;
- 8.) N19°20'35"E A DISTANCE OF 41.87 FEET;
- 9.) N63°03'35"E A DISTANCE OF 14.37 FEET;
- 10.) S80°57'05"E A DISTANCE OF 62.37 FEET;
- 11.) S74°03'04"E A DISTANCE OF 121.29 FEET;
- 12.) S68°25'00"E A DISTANCE OF 62.47 FEET;
- 13.) S51°11'21"E A DISTANCE OF 44.83 FEET;
- 14.) S80°05'39"E A DISTANCE OF 130.00 FEET;
- 15.) S45°45'06"E A DISTANCE OF 21.39 FEET;
- 16.) S74°29'04"E A DISTANCE OF 9.88 FEET;
- 17.) S08°56'33"W A DISTANCE OF 41.85 FEET;
- 18.) S79°00'34"W A DISTANCE OF 25.46 FEET;
- 19.) S88°38'04"W A DISTANCE OF 83.45 FEET;
- 20.) S84°55'56"W A DISTANCE OF 111.90 FEET TO THE POINT OF BEGINNING, CONTAINING 42,638 SQUARE FEET OR 0.979 ACRES, MORE OR LESS.

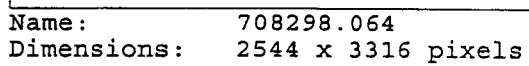
EXHIBIT C

(Attached to and forming a part of Declaration of Covenants, Conditions  
and Restrictions for The Seasons at Keystone)

MAP

A reduced copy of the Condominium Map follows this  
cover sheet. A full-sized copy of the map has been  
recorded separately.





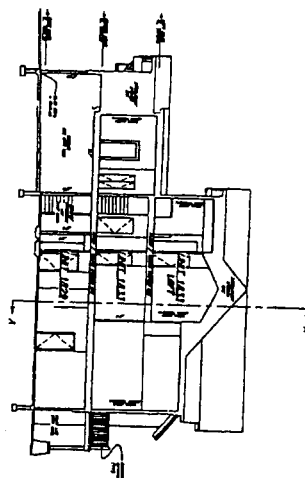
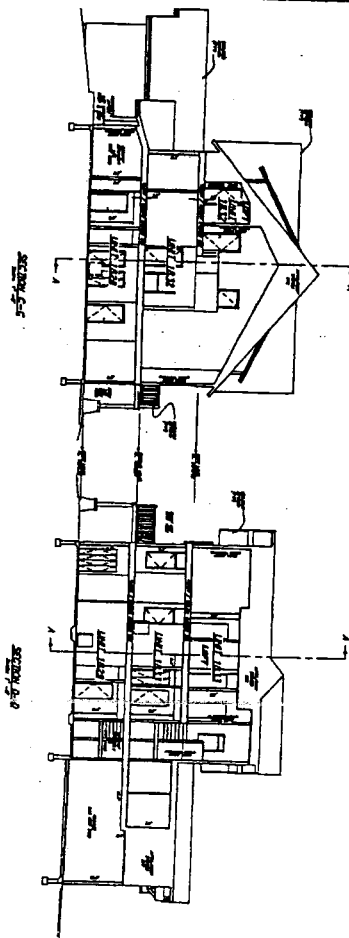
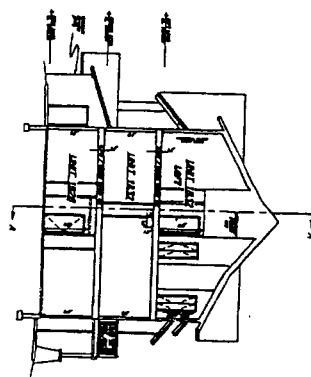
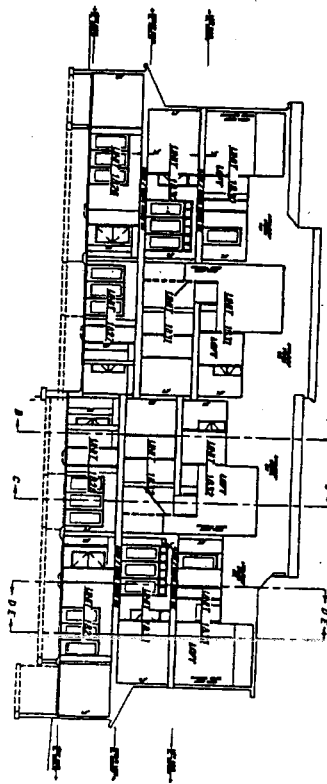






2544 x 3316 pixels

A CONDORITION MAP OF  
**THE SEASONS AT KEYSTONE**  
 SOUTHERN COUNTY, COLORADO  
**BUILDING B**  
 SHEET 5 OF 11

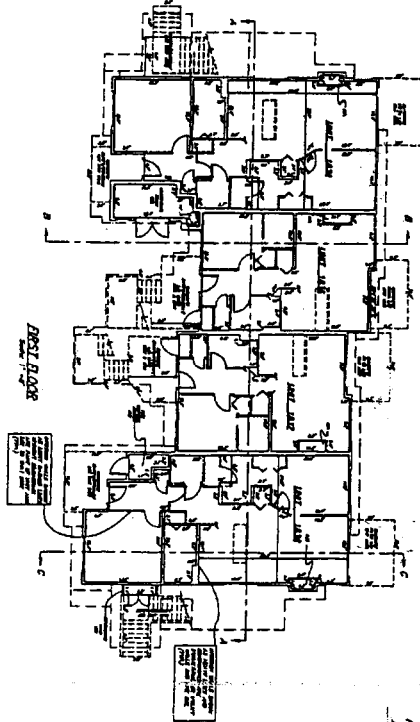
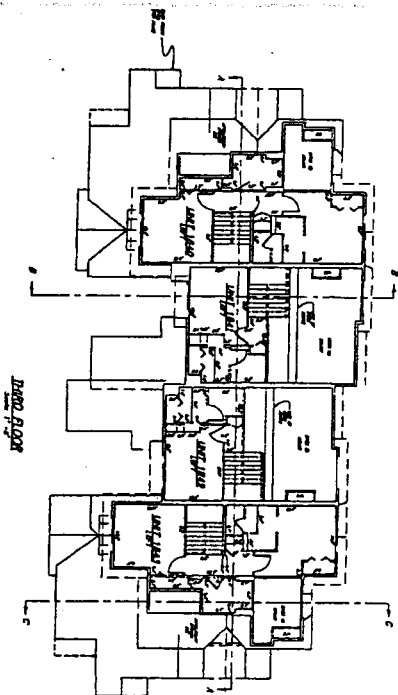
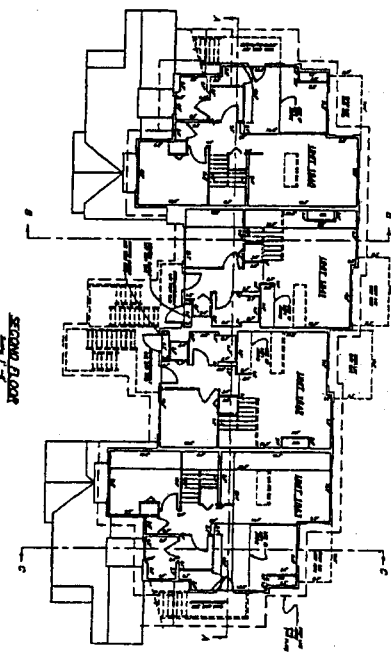


**SECTION VIEWS**

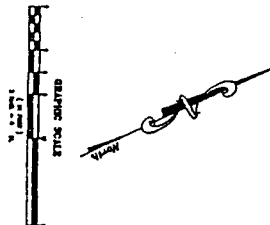
DATE	7-1-71
BY	J. H. HARRIS
CHECKED	J. H. HARRIS
APPROVED	J. H. HARRIS
TITLE	SECTION VIEWS
PROJECT	THE SEASONS AT KEYSTONE
SHEET	5 OF 11

Name: 708298.067  
 Dimensions: 2544 x 3313 pixels

PLAN VIEWS



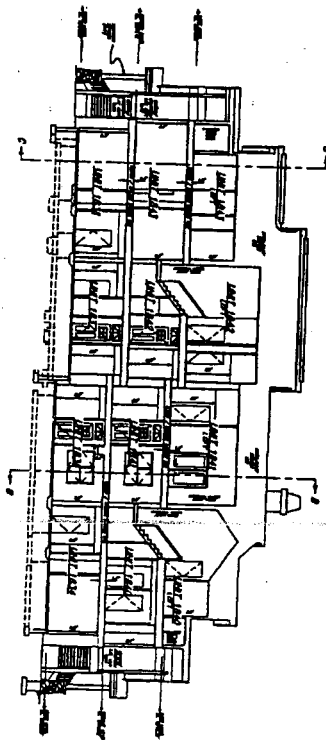
A CONDOMINIUM MAP OF  
 THE SEASONS AT KEYSTONE  
 SUMMIT COUNTY, COLORADO  
 BUILDING C  
 SHEET 6 OF 11



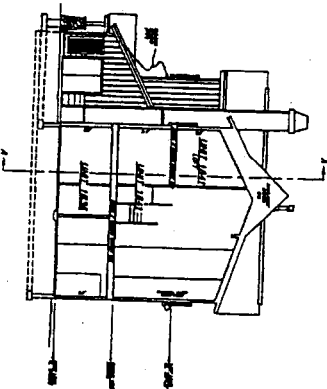
Legend
1. Common Area
2. Unit Area
3. Staircase
4. Elevator
5. Entrance
6. Exit
7. Fire Alarm
8. Fire Extinguisher
9. Fire Escape
10. Fire Hydrant
11. Fire Alarm Control Panel
12. Fire Alarm Bell
13. Fire Alarm Horn
14. Fire Alarm Speaker
15. Fire Alarm Light
16. Fire Alarm Sounder
17. Fire Alarm Bell and Horn
18. Fire Alarm Bell and Speaker
19. Fire Alarm Bell and Light
20. Fire Alarm Bell and Sounder
21. Fire Alarm Bell and Light and Sounder
22. Fire Alarm Bell and Light and Speaker
23. Fire Alarm Bell and Light and Sounder and Speaker
24. Fire Alarm Bell and Light and Sounder and Speaker and Light
25. Fire Alarm Bell and Light and Sounder and Speaker and Light and Sounder
26. Fire Alarm Bell and Light and Sounder and Speaker and Light and Sounder and Light
27. Fire Alarm Bell and Light and Sounder and Speaker and Light and Sounder and Light and Sounder
28. Fire Alarm Bell and Light and Sounder and Speaker and Light and Sounder and Light and Sounder and Light
29. Fire Alarm Bell and Light and Sounder and Speaker and Light and Sounder and Light and Sounder and Light and Sounder
30. Fire Alarm Bell and Light and Sounder and Speaker and Light and Sounder and Light and Sounder and Light and Sounder and Light

Project No.	Sheet No.	Scale	Date
708298.068	6	1" = 10'	11/11/11

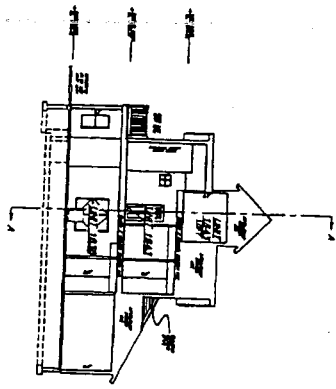
A CONDORION MAP OF  
**THE SEASONS AT KEYSTONE**  
 SUMMIT COUNTY, COLORADO  
**BUILDING C**  
 SHEET 7 OF 11



SECTION 5-4

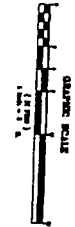


SECTION 5-4



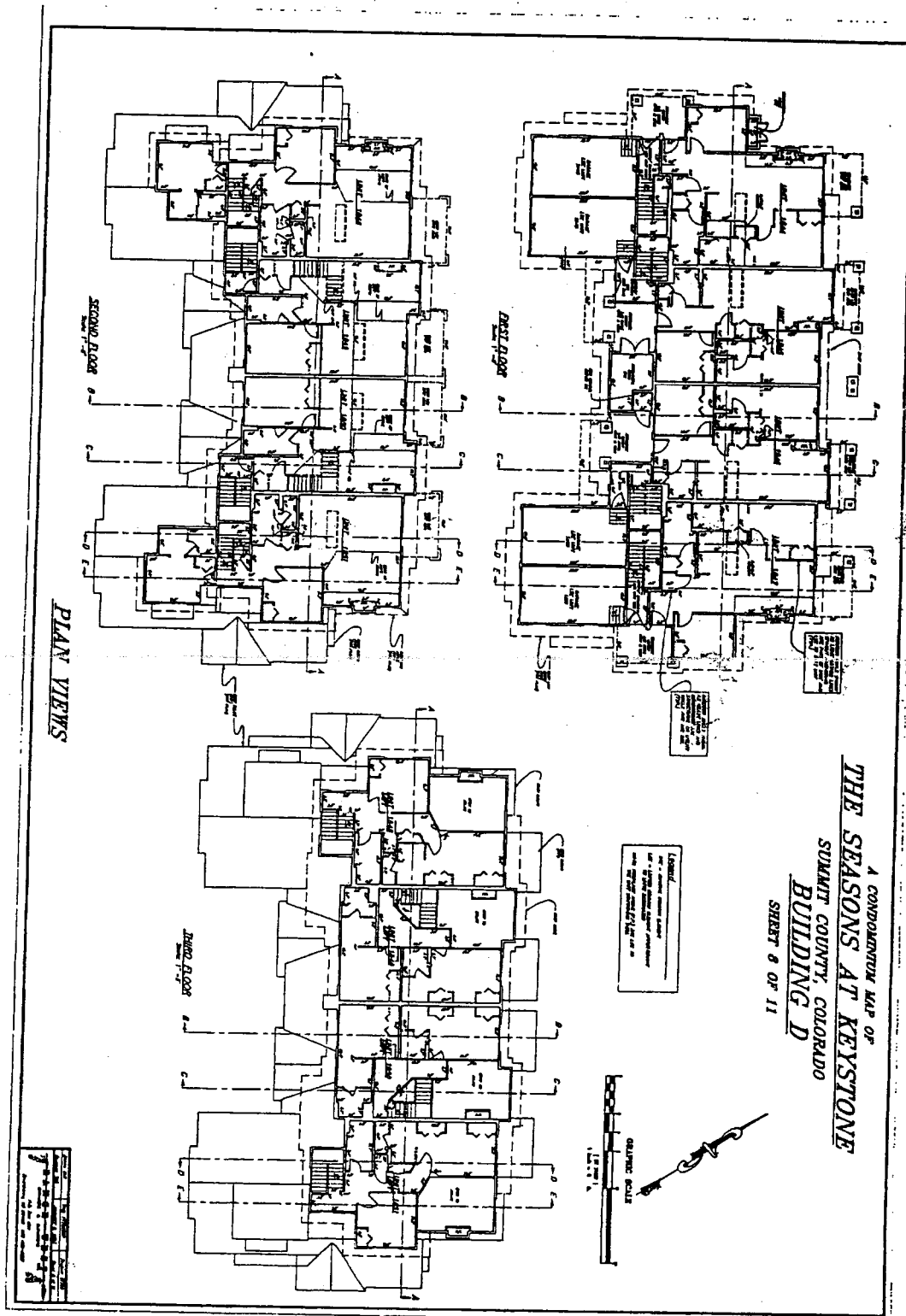
SECTION 5-4

**SECTION VIEWS**



1"=20'-0"  
 1"=20'-0"  
 1"=20'-0"

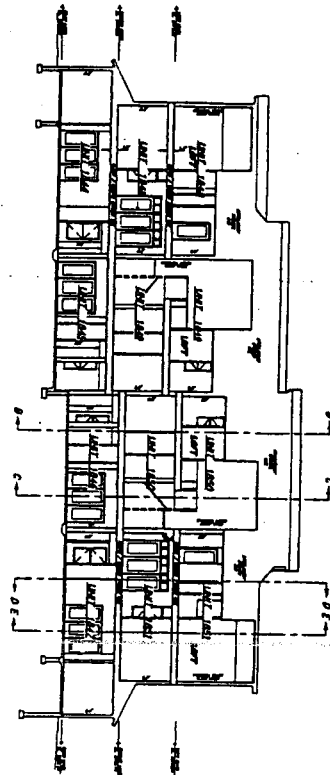
NO.	DESCRIPTION	DATE
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2	REVISION	10-1-11
3	REVISION	10-1-11
4	REVISION	10-1-11
5	REVISION	10-1-11
6	REVISION	10-1-11
7	REVISION	10-1-11
8	REVISION	10-1-11
9	REVISION	10-1-11
10	REVISION	10-1-11



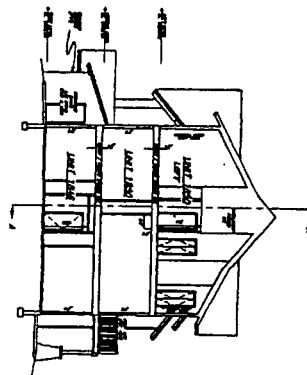
A CONDOMINIUM MAP OF  
**THE SEASONS AT KEYSTONE**  
 SUMMIT COUNTY, COLORADO  
**BUILDING D**  
 SHEET 9 OF 11



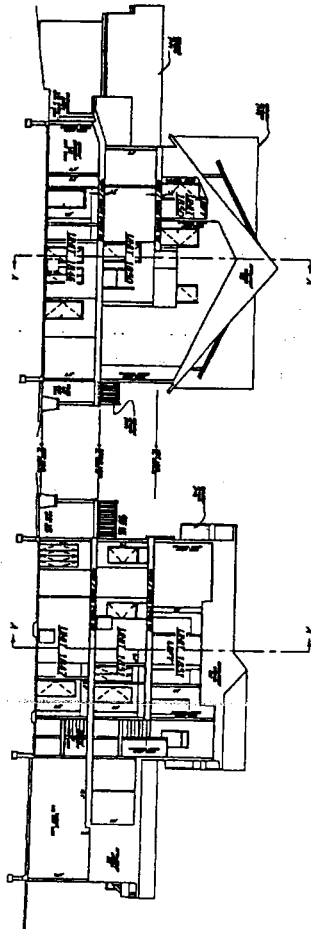
Legend  
 1. Common Area  
 2. Unit  
 3. Condominium Boundary



SECTION A-A

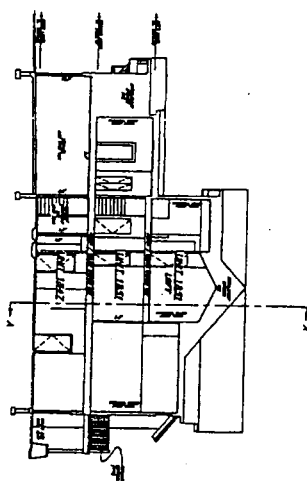


SECTION B-B



SECTION C-C

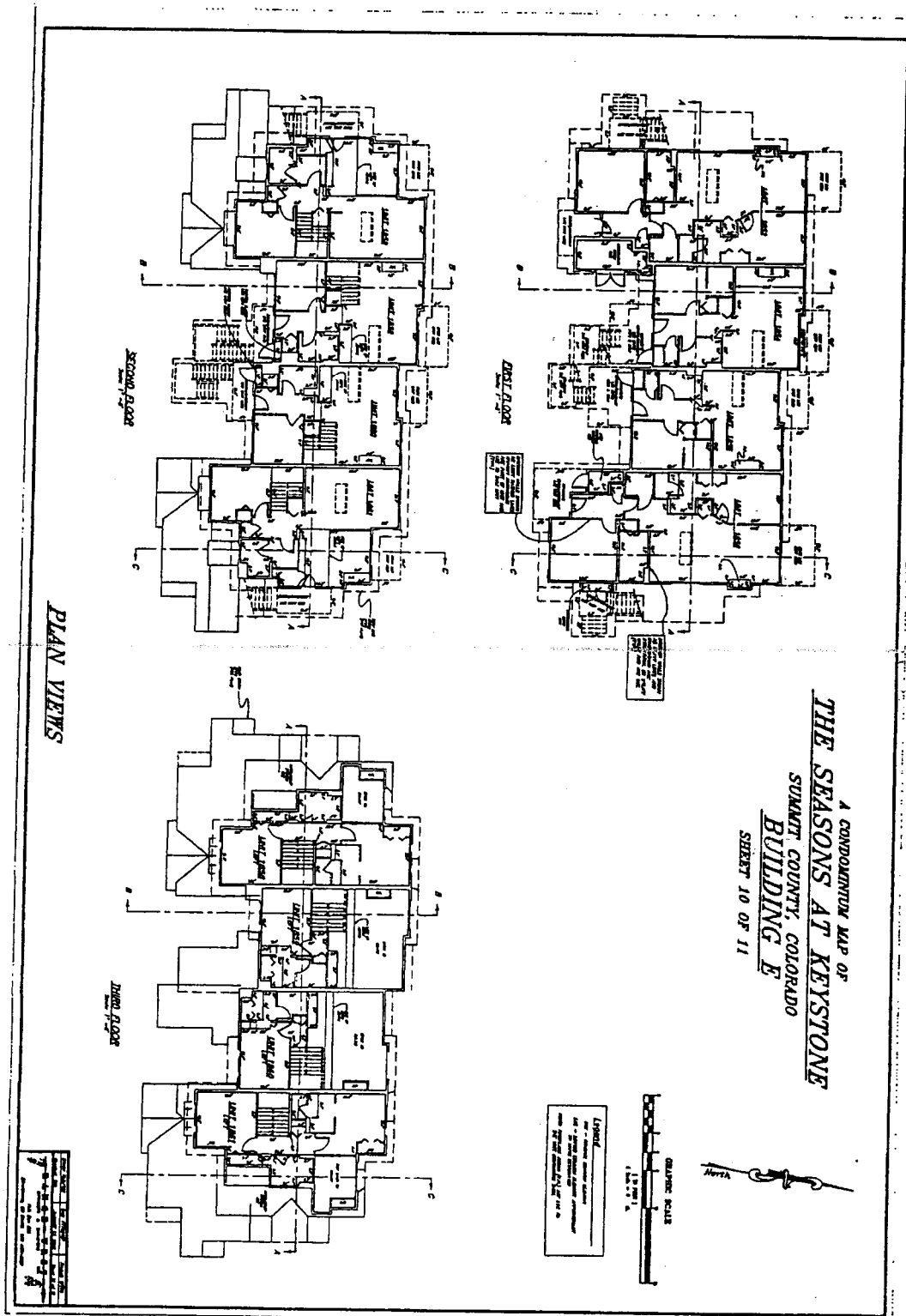
SECTION D-D



SECTION E-E

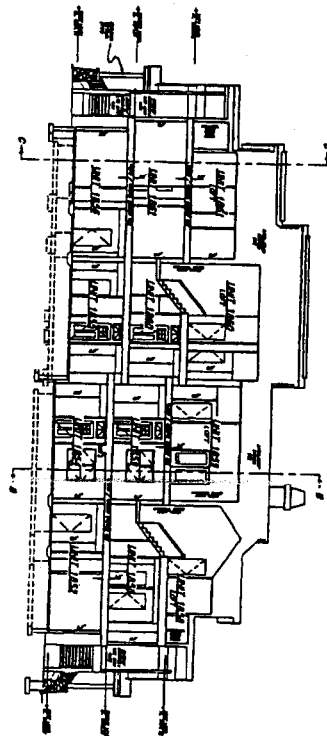
**SECTION VIEWS**

DATE	12/11/01
BY	J. L. HARRIS
CHECKED	J. L. HARRIS
APPROVED	J. L. HARRIS
TITLE	CONDOMINIUM MAP OF THE SEASONS AT KEYSTONE
SHEET	9 OF 11

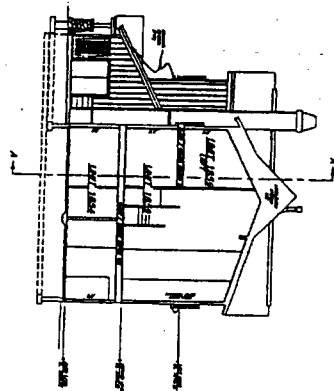




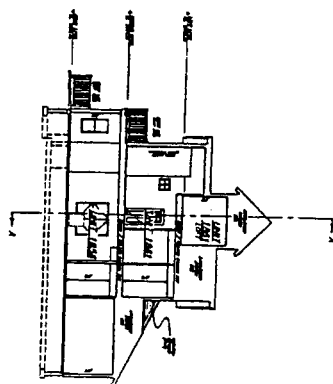
4 CONVENTION MAP OF  
**THE SEASONS AT KEYSTONE**  
 SUMMIT COUNTY, COLORADO  
**BUILDING E**  
 SHEET 11 OF 11



SECTION 4-4

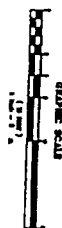


SECTION 4-4



SECTION 4-4

**SECTION VIEWS**



Legend  
 1" = 10' - 0"  
 1" = 20' - 0"  
 1" = 40' - 0"

DATE	12-1-77
BY	J. H. HARRIS
CHECKED	J. H. HARRIS
APPROVED	J. H. HARRIS
TITLE	SECTION VIEWS
PROJECT	THE SEASONS AT KEYSTONE
SHEET	11 OF 11

EXHIBIT D

(Attached to and forming a part of Declaration of Covenants, Conditions  
and Restrictions for The Seasons at Keystone)

ALLOCATED INTERESTS

<u>Unit</u>	<u>Interest in General Common Elements</u>	<u>Shares of Common Expenses</u>	<u>Votes</u>
1826	2.55	2.55	1
1827	2.38	2.38	1
1828	2.38	2.38	1
1829	2.54	2.54	1
1830	4.79	4.79	1
1831	4.15	4.15	1
1832	4.15	4.15	1
1833	4.78	4.78	1
1834	2.85	2.85	1
1836	1.84	1.84	1
1837	1.84	1.84	1
1838	2.88	2.88	1
1840	3.84	3.84	1
1841	2.57	2.57	1
1842	2.57	2.57	1
1843	3.83	3.83	1
1844	2.54	2.54	1
1845	2.39	2.39	1
1846	2.40	2.40	1
1847	2.54	2.54	1
1848	4.78	4.78	1
1849	4.15	4.15	1
1850	4.15	4.15	1
1851	4.79	4.79	1
1852	2.87	2.87	1
1854	1.84	1.84	1
1855	1.84	1.84	1
1856	2.88	2.88	1
1858	3.82	3.82	1
1859	2.63	2.63	1
1860	2.62	2.62	1
1861	3.82	3.82	1
	<u>100%</u>	<u>100%</u>	<u>32</u>

EXHIBIT E

(Attached to and forming a part of Declaration of Covenants, Conditions  
and Restrictions for The Seasons at Keystone)

LIST OF RECORDED EASEMENTS

1. Tramway Easement Agreement recorded January 17<sup>th</sup>, 2003 under Reception  
No. 708297.
2. Pedestrian Bridge Easement Agreement recorded January 17<sup>th</sup>, 2003 under  
Reception No. 708296.

EXHIBIT F

(Attached to and forming a part of Declaration of Covenants,  
Conditions and Restrictions for The Seasons at Keystone)

CERTIFICATE OF COMPLETION

A copy of the Certificate of Completion for  
the project follows this cover sheet.

**The Seasons**

Keystone Real Estate Development



**Substantial Completion of Structural Components for  
Bldg B (0017), Bldg C (0027), Bldg D (0057), Bldg E  
(0097):**

Jan 15, 2003

Dean Myerson  
0140 Ida Belle, Suite F5  
Keystone, CO 80435

RE: Substantial Completion of Structural Components for Building B (0017), Bldg C  
(0027), Bldg D (0057), and Bldg E (0097) for Condo Mapping

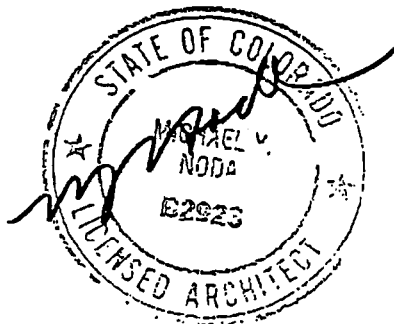
Dear Dean,

OZ Architecture has reviewed and certifies that all structural components of Buildings B, C,  
D, and E, containing or comprising the units created by the Declaration of Covenants,  
Conditions and Restrictions for the Seasons at Keystone are substantially complete.

Sincerely,  
OZ Architecture

Michael Noda, Principal

Copies to: Jacobs Chase  
KRED



O Z A R C H I T E C T U R E

EXHIBIT G

(Attached to and forming a part of Declaration of Covenants,  
Conditions and Restrictions for The Seasons at Keystone)

CONSENT AND SUBORDINATION OF LENDER

A copy of the Consent and Subordination of Lender for  
the project follows this cover sheet.

G-1

00072999.WPD 7

**CONSENT AND SUBORDINATION OF**  
**U.S. BANK NATIONAL ASSOCIATION**  
**(Declaration of Covenants, Conditions and Restrictions**  
**for The Seasons at Keystone)**

U.S. Bank National Association ("U.S. Bank"), as the beneficiary of a Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents and Revenues recorded with the Clerk and Recorder for Summit County, Colorado on July 11, 2002, under Reception No. 690710 (the "Deed of Trust"), hereby consents to the Declaration of Covenants, Conditions and Restrictions for The Seasons at Keystone (the "Declaration"), which is being recorded in the Office of the Clerk and Recorder for Summit County, Colorado concurrently with this Consent, and agrees that the Deed of Trust now is and shall at all time continue to be subject and subordinate to the Declaration.

Notwithstanding the foregoing, the Association's Assessment Lien (as that Lien is defined in the Declaration) shall be subject to and subordinate to the lien created by the Deed of Trust.

U.S. BANK NATIONAL ASSOCIATION

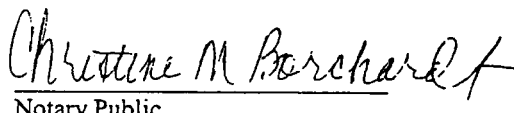
By:   
Name: Valerie R. Heller  
Title: Vice President

STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of January, 2003, by Valerie P. Heller, as Vice President of U. S. Bank National Association.

Witness my hand and official seal.

CHRISTINE M. BORCHARDT  
NOTARY PUBLIC  
STATE OF COLORADO

  
Notary Public

My commission expires: \_\_\_\_\_ MY COMMISSION EXPIRES 10/26/2006

{00128407.DOC}

**BYLAWS**  
**OF**  
**THE SEASONS AT KEYSTONE ASSOCIATION, INC.**

**ARTICLE I**  
**DEFINITIONS**

1.01 Declaration.

As used herein "Declaration" means the Declaration of Covenants, Conditions and Restrictions for The Seasons at Keystone, recorded with the Clerk and Recorder of Summit County, Colorado.

1.02 Other Definitions.

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings given to them in the Declaration.

**ARTICLE II**  
**OFFICES**

The Association is a Colorado nonprofit corporation, with its principal office located c/o Keystone/Intrawest L.L.C., P.O. Box 8876, 0574 County Road #5, Keystone, Colorado 80435. The Association may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the Executive Board may from time to time determine.

**ARTICLE III**  
**MEMBERSHIP, VOTING, QUORUM AND PROXIES**

3.01 Membership.

The members of the Association shall be as set forth in the Articles.

3.02 Voting Rights.

(a) The total number of votes allocated to all the Memberships shall be 40. The 40 votes shall be allocated among the 40 Memberships equally.

(b) If any Units are added to or withdrawn from the Condominium, the total number of votes allocated to all Memberships and the allocation thereof after such addition, withdrawal, increase or decrease shall be recalculated so that each Membership appurtenant to a Unit has one vote.



(c) Each Membership shall be entitled to one vote, regardless of the number of Owners of the Unit to which the Membership is appurtenant. Fractional voting shall not be allowed. If the Owners of a Unit cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a Membership appurtenant to a particular Unit, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the Membership, unless objection thereto is made by an Owner of that Unit to the Person presiding over the meeting at the time the vote is cast. If more than one vote is cast for any particular Membership, none of such votes shall be counted and all of such votes shall be deemed null and void.

(d) The Association shall have no voting rights for any Membership appurtenant to any Unit owned by the Association.

### 3.03 Quorum.

Except as otherwise required by law or the Articles, the presence in person or by proxy of Owners entitled to vote more than 20 percent of the total votes of the Owners shall constitute a quorum.

### 3.04 Proxies.

Votes may be cast in person or by proxy. Every proxy must be executed in writing by the Owner or his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided in the proxy.

### 3.05 Majority Vote.

At any meeting of the Owners, if a quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the Owners, unless the vote of a greater number is required by law, the Articles, the Declaration or these Bylaws.

### 3.06 Cumulative Voting.

Cumulative voting shall not be allowed in the election of Directors to the Executive Board, or for any other purpose.

## **ARTICLE IV**

### **ADMINISTRATION**

#### **4.01    Annual Meeting.**

The annual meeting of the Owners shall be held at a time designated by the Executive Board in the month of November in each year, or at such other date designated by the Executive Board, beginning with the year \_\_\_\_\_, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

#### **4.02    Special Meetings.**

Special meetings of the Owners, for any purpose, unless otherwise prescribed by statute, may be called by the president or by a majority of the Directors and shall be called by the president at the request of Owners entitled to vote 20 percent or more of the total votes of all Owners.

#### **4.03    Place of Meeting.**

The Executive Board may designate the Association's principal offices or any place within Summit County, Colorado, as the place for any annual meeting or for any special meeting called by the Executive Board.

#### **4.04    Notice of Meeting.**

Written or printed notice of any meeting of the Owners, stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail to each Owner entitled to vote at such meeting not less than ten nor more than fifty days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Owner at his address as it appears in the office of the Association, with postage thereon prepaid. For the purpose of determining Owners entitled to notice of or to vote at any meeting of the Owners, the Executive Board may set a record date for such determination of Owners, in accordance with the laws of the State of Colorado. If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at the expense of the Association.

#### **4.05    Informal Action by Owners.**

Any action required or permitted to be taken at a meeting of the Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Owners entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Owners.

**ARTICLE V**  
**DECLARANT CONTROL**

5.01 Declarant Control of the Association.

(a) Subject to the terms and conditions of paragraphs 5.01(b) and 5.02(a) below, but notwithstanding anything else to the contrary contained in these Bylaws or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all Directors and Officers during the Declarant Control Period. The phrase "Declarant Control Period" means the period commencing on the date on which Declarant forms the Association and ending on the earliest to occur of:

(i) the date that is sixty days after conveyance to Purchasers of 75 percent of the maximum number of Units that may be created by Declarant under the Declaration;

(ii) the date that is two years after the last conveyance of a Unit by Declarant or a Successor Declarant in the ordinary course of business; or

(iii) the date that is two years after any right under the Declaration to add new Units was last exercised.

(b) Declarant may voluntarily surrender its right to appoint and remove Directors and Officers prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

5.02 Elections By Owners.

(a) Notwithstanding anything to the contrary contained above in paragraph 5.01(a) above, not later than sixty days after the conveyance of 25 percent of the Units that may be created under the Declaration to Purchasers, one Director appointed by Declarant shall be replaced with a Director elected by Owners other than Declarant.

(b) During the thirty-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of three Directors, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

## **ARTICLE VI**

### **EXECUTIVE BOARD**

#### **6.01    Number, Tenure and Qualifications.**

The business and affairs of the Association shall be managed by an Executive Board consisting of three Directors, each of whom shall be (a) an individual Owner; (b) a partner, trustee, officer, director, member, member representative, employee or twenty-five percent equity owner of an organizational Owner; or (c) one of the Directors appointed by Declarant. A person other than a Director appointed by Declarant shall automatically cease to be a Director at such time as he ceases to be an individual Owner or a partner, trustee, officer, director or twenty-five percent shareholder of an organizational Owner. Each initial Director shall hold office until the election or appointment of their successors at the 2001 annual meeting. Thereafter, subject to the terms and conditions of Article V and Section 6.03 hereof, each Director will hold office for a term of one year and the Owners shall elect the Directors at the annual meetings. Each Director shall hold office until the election and qualification of his successor or until his earlier death, resignation or removal.

#### **6.02    Resignations; Vacancies.**

Any Director may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### **6.03    Removal of Directors.**

Notwithstanding any provision contained in these Bylaws or any other Association Document to the contrary, the Owners, by a 67 percent vote of all memberships represented and entitled to vote at any meeting at which a quorum is present, may remove any Director, with or without cause, other than a Director appointed by Declarant during the Declarant Control Period.

#### **6.04    Replacement of Directors.**

(a)    Vacancies on the Executive Board created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.

(b)    Except with respect to a Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of a Director shall be filled by a Director elected by the remaining Directors.

(c) Any Director elected or appointed pursuant to this Section 6.04 shall hold office for the remainder of the unexpired term of the Director that Director replaced.

6.05 Powers.

(a) Except as provided in the Declaration, the Articles and these Bylaws, the Executive Board may act on behalf of the Association in all instances.

(b) The Executive Board may not act on behalf of the Association to (i) amend the Declaration; (ii) terminate the Association, the Declaration or the Condominium; (iii) elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of any Director's term, subject to Declarant's rights under Sections 5.01 and 5.02 above; or (iv) determine the qualifications, powers and duties or terms of office, of Directors.

6.06 Managing Agent.

The Executive Board may employ a manager or managing agent, or both, for the Association at a compensation established by the Executive Board to perform such duties and services as the Executive Board shall authorize. Any such delegation, however, shall not relieve the Executive Board of its responsibility under the Declaration. If, and to the extent that, the Executive Board delegates its powers relating to the collection, deposit, transfer or disbursement of Association funds to a manager or managing agent, or both, such manager or managing agent, or both shall:

(a) maintain fidelity insurance coverage or a bond in an amount not less than \$50,000.00 or such higher amount as the Executive Board may require;

(b) maintain all funds and accounts of the Association separate from the funds and accounts of any other associations managed by the manager or managing agent, and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

(c) have prepared and present to the Association an annual accounting for Association funds and a financial statement, which accounting and financial statement shall be prepared by the managing agent, a public accountant, or a certified public accountant.

6.07 Regular Meetings.

Regular meetings of the Executive Board may be held without call or formal notice at such places within or outside the State of Colorado, and at such times as the Executive Board from time to time by vote may determine. Any business may be transacted at a regular meeting. The regular meeting of the Executive Board for the election of Officers and for such other business as may come before the meeting may be held without call or formal notice

immediately after, and at the same place as, the annual meeting of Owners, or any special meeting of Owners at which an Executive Board is elected.

6.08 Special Meetings.

Special meetings of the Executive Board may be held at any place within the State of Colorado, or by telephone; provided, that each Director can hear each other Director, at any time when called by the president, or by two or more Directors, upon the giving of at least three days' prior notice of the time and place thereof to each Director by leaving such notice with such Director or at such Director's residence or usual place of business, or by mailing or telegraphing it prepaid, and addressed to such Director at such Director's post office address as it appears on the books of the Association, or by telephone. Notices need not state the purposes of the meeting. No notice of any adjourned meeting of the Directors shall be required.

6.09 Quorum.

A majority of the number of Directors fixed by these bylaws, as amended from time to time, shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the Directors in attendance shall, except where a larger number is required by law, by the Articles or by these Bylaws, decide any question brought before such meeting.

6.10 Waiver of Notice.

Before, at or after any meeting of the Executive Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Executive Board shall be a waiver of notice by such Director except when such Director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.11 Informal Action by Directors.

Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors.

## **ARTICLE VII**

### **OFFICERS AND AGENTS**

#### **7.01    General.**

The Officers of the Association shall be a president (who shall be chosen from among the Directors), one or more vice presidents, a secretary and a treasurer. The Executive Board may appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Executive Board. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any Officer, agent or employee are not prescribed by the Bylaws or by the Executive Board, such Officer, agent or employee shall follow the orders and instructions of the president.

#### **7.02    Removal of Officers.**

The Executive Board may remove any Officer, either with or without cause, and elect a successor at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for such purpose.

#### **7.03    Vacancies.**

A vacancy in any office, however occurring, shall be filled by the Executive Board for the unexpired portion of the term.

#### **7.04    President.**

The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Association and of the Executive Board. The president shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees. The president of the Association is designated as the Officer with the power to prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

#### **7.05    Vice Presidents.**

The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Executive Board. In the absence of the president, the vice president designated by the Executive Board or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the

president. If no such designation shall be made all vice presidents may exercise such powers and perform such duties.

7.06 Secretary.

The secretary shall:

- Board;
- (a) keep the minutes of the proceedings of the Owners and the Executive Board;
  - (b) see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law;
  - (c) be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Executive Board;
  - (d) keep at the Association's principal offices a record containing the names and registered addresses of all Owners, the designation of the Unit owned by each Owner, and, if such Unit is mortgaged, the name and address of each Mortgagee; and
  - (e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Executive Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

7.07 Treasurer.

The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Executive Board. The treasurer shall receive and give receipts and acquittances for moneys paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. The treasurer shall perform all other duties incident to the office of the treasurer and, upon request of the Executive Board, shall make such reports to it as may be required at any time. The treasurer shall, if required by the Executive Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Executive Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Executive Board or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.



**ARTICLE VIII**  
**EVIDENCE OF OWNERSHIP, REGISTRATION OF**  
**MAILING ADDRESS AND LIEN HOLDERS**

8.01 Proof of Ownership.

Except for those Owners who initially contracted to purchase a Unit from the Declarant, any person on becoming an Owner shall furnish to the Association a photocopy or a certified copy of the recorded instrument vesting that person with an ownership interest in the Unit. Such copy shall remain in the files of the Association. An Owner shall not be deemed to be in good standing and shall not be entitled to vote at any annual or special meeting of Owners unless this requirement is first satisfied.

8.02 Registration of Mailing Address.

If a Unit is owned by two or more Owners, such Owners shall designate one address as the registered address required by the Declaration. The registered address of an Owner or Owners shall be furnished to the secretary of the Association within ten days after transfer of title, or after a change of address. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of all Owners of the Unit. If no address is registered or if all of the Owners cannot agree, then the address of the Unit shall be deemed the registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Unit.

8.03 Liens.

Any Owner who mortgages or grants a deed of trust covering his Unit shall give the Association written notice of the name and address of the Mortgagee and shall file true, correct and complete copies of the note and security instrument with the Association.

8.04 Address of the Association.

The address of the Association shall be c/o 0574 County Road #5, P.O. Box 8876, Keystone, Colorado 80435. Such address may be changed from time to time upon written notice to all Owners and all listed Mortgagees.

**ARTICLE IX**  
**SECURITY INTEREST IN MEMBERSHIP**

Owners shall have the right irrevocably to constitute and appoint a Mortgagee their true and lawful attorney-in-fact to vote their Membership in the Association at any and all meetings of the Association and to vest in the Mortgagee any and all rights, privileges and powers that they have as Owners under the Articles and these Bylaws or by virtue of the Declaration. Such proxy shall become effective upon the filing of notice by the Mortgagee with the secretary of the Association at such time or times as the Mortgagee shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Executive Board or the Owners to carry out their duties as set forth in the Declaration. A release of the Mortgage covering the subject Unit shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Owners, as mortgagors, of their duties and obligations as Owners or to impose upon the Mortgagee the duties and obligations of an Owner.

**ARTICLE X**  
**AMENDMENTS**

10.01 By Directors.

Except as limited by law, the Articles, the Declaration or these Bylaws, the Executive Board shall have power to make, amend and repeal the Bylaws of the Association at any regular meeting of the Executive Board or at any special meeting called for that purpose at which a quorum is represented. If, however, the Owners shall make, amend or repeal any Bylaw the Directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Owners in taking such action.

10.02 Owners.

Subject to any rights conferred upon First Mortgagees in the Declaration, the Owners may, by the vote of the holders of at least 67 percent of the votes of the Owners, unless a greater percentage is expressly required by law, the Articles, the Declaration or these Bylaws, make, alter, amend or repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

10.03 Limitation.

Notwithstanding the foregoing, amendment of these Bylaws is specifically subject to the requirements of Section 38-33.3-306 of Colorado Revised Statutes, as amended.

**ARTICLE XI**  
**MISCELLANEOUS**

11.01 Seal.

The corporate seal of the Association shall be circular in form and shall contain the name of the Association, the year of its organization and the words, "Seal, Colorado."

11.02 Fiscal Year.

The fiscal year of the Association shall be such as may from time to time be established by the Executive Board.

(End)

**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR  
THE SEASONS AT KEYSTONE**

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DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR THE SEASONS AT KEYSTONE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for THE SEASONS AT KEYSTONE (as amended from time to time, this "Declaration") is made as of January 15, 2003, by Keystone/Intrawest L.L.C., a Delaware limited liability company (together with its successors and assigns, "Declarant").

Recitals

A. Declarant owns the real property located in the County of Summit, State of Colorado that is more particularly described on Exhibit A attached hereto and forming a part hereof.

B. Declarant desires to create a condominium on such property pursuant to the Colorado Common Interest Ownership Act, Colorado Revised Statutes 38-33.3-101 through 38-33.3-319, as the same may be amended from time to time.

C. Declarant deems it necessary and desirable to subject such property to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration.

Declaration

In consideration of the foregoing, Declarant hereby declares as follows:

ARTICLE I  
DECLARATION

1.01 Declaration.

Declarant hereby creates a condominium named "The Seasons at Keystone" on the Property (as such term is defined below) and declares that the Property shall be held, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of this Declaration.

1.02 Covenants Running with the Land.

All covenants, conditions, restrictions, reservations, easements, charges, liens and other provisions of this Declaration are covenants running with the land, or equitable servitudes, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and insure to the benefit of Declarant, the Owners (as such term is defined below), the Association (as

such term is defined below), and their respective successors, assigns, heirs, devisees, executors, administrators and personal representatives.

## ARTICLE II DEFINITIONS

### 2.01 Basic Definitions.

As used in this Declaration, the following terms have the meanings given to them in this Section 2.01.

(a) "Act" means the Colorado Common Interest Ownership Act, Colorado Revised Statutes 38-33.3-101 through 38-33.3-319, as the same may be amended from time to time.

(b) "Additional Property" means the parcel of real property described on Exhibit B attached hereto and made a part hereof.

(c) "Amenities Building" has the meaning given to that term in Section 8.04 below.

(d) "Area" of a Unit or Units, means the total number of square feet of floor surface thereof (exclusive of the square footage of any garage included within such Unit or Units) as shown on the Map, or if such square footage is not shown on the Map, the total number of square feet of floor surface thereof as determined by the Executive Board.

(e) "Articles" means the articles of incorporation of the Association, as the same may be amended from time to time.

(f) "Assessment" means a General Assessment, a Special Assessment or a Default Assessment levied and assessed pursuant to Article VII below.

(g) "Assessment Lien" has the meaning given to that term in Section 7.08 below.

(h) "Association" means The Seasons at Keystone Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(i) "Association Documents" means this Declaration, the Articles, the Bylaws and the Rules and Regulations, as the same may be amended from time to time.

(j) "Bylaws" means the bylaws of the Association, as the same may be amended from time to time.

(k) "Common Elements" means the General Common Elements and the Limited Common Elements.

(l) "Common Expenses" means:

(i) Any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (A) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Elements; (B) providing facilities, services and other benefits to Owners; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (D) levying, collecting and enforcing the Assessments, charges and liens imposed pursuant hereto; (E) regulating and managing the Condominium; and (F) operating the Association; and

(ii) Reserves for any such costs, expenses and liabilities.

(m) "Condominium" means The Seasons at Keystone, the common interest community created on the Property by this Declaration, consisting of the Units and the Common Elements.

(n) "Declarant" means Keystone/Intrawest L.L.C., a Delaware limited liability company, and its successors and assigns.

(o) "Declarant Control Period" has the meaning given to that term in Section 6.03 below.

(p) "Declaration" means this Declaration of Covenants, Conditions and Restrictions for The Seasons at Keystone, as the same may be amended from time to time.

(q) "Default Assessment" has the meaning given to that term in Section 7.06 below.

(r) "Director" means a duly elected or appointed member of the Executive Board.

(s) "Executive Board" means the Association's board of directors.

(t) "First Mortgage" means any Mortgage which is not subordinate to any other lien or encumbrance, except liens for taxes or other liens which are given priority by statute.

(u) "First Mortgagee" means a Mortgagee under a First Mortgage.

(v) "General Assessment" has the meaning given to that term in Section 7.04.

(w) "General Common Elements" means all of the Condominium, other than the Units and the Limited Common Elements. Without limiting the generality of the preceding sentence, the General Common Elements include, without limitation:

(i) All Improvements, including, without limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, utility systems, mechanical systems, sprinkler systems, exhaust and ventilation systems, storage areas, roofs, chimneys, drainage facilities, the Pedestrian Bridge, hot tubs and other recreational facilities except for those Improvements that are designated by the Act, by this Declaration or by the Map as Units or as Limited Common Elements;

(ii) All streets, roads, driveways and parking facilities and areas within the Condominium, other than those that are (A) located within a Unit, or (B) designated as Limited Common Elements by this Declaration or the Map;

(iii) All yards, sidewalks, walkways, trails, paths, lawns, shrubbery, trees, gardens and landscaping within the Condominium; and

(iv) Any parcels of real property and improvements and fixtures located thereon (A) that are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration or a lease, license, easement or agreement, and (B) that are used or possessed by the Association for the benefit of all Owners.

(x) "Guest" means any family member, employee, agent, independent contractor, lessee, customer or invitee of an Owner.

(y) "Improvement" means any building, structure or other improvement (including, without limitation, all fixtures and improvements contained therein) located on the Property.

(z) "Interest in Common Elements" means the undivided interest in the Common Elements appurtenant to each Unit determined in accordance with the terms and conditions of Section 3.02 below.

(aa) "Keystone Village Association" means the Keystone Village Association, Inc., a Colorado nonprofit corporation.

(bb) "Keystone Village Documents" means the Keystone Village Declaration and the articles of incorporation, the bylaws and all rules and regulations of the Keystone Village Association, including, without limitation, those of The Keystone Architectural and Planning Control Board, as the same may be amended from time to time.

(cc) "Keystone Village Declaration" means the Declaration of Protective Covenants recorded in the Summit County Records on December 4, 1972, at in Book 227 at Page 440, as the same may be amended from time to time.

(dd) "Limited Common Elements" means those portions of the Common Elements allocated by this Declaration, the Map or by operation of the Act for the exclusive use of one or more Units, but fewer than all of the Units. Without limiting the generality of the foregoing, "Limited Common Elements" include, without limitation:

(i) Any shutters, awnings, exterior windows and doors, window boxes, utility systems, mechanical systems, exhaust and ventilation systems, fireplaces, storage spaces, parking spaces, entrances, exits, walkways, patios, balconies, decks, porches, courtyards, yards, sidewalks and other areas and Improvements that are designed to serve fewer than all of the Units; and

(ii) Any physical portion of the Condominium that is designated on the Map as "Limited Common Element" or "LCE."

If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the General Common Elements. Nonstructural walls located wholly within a Unit are Limited Common Elements appurtenant to the Unit in which they are located.

(ee) "Lock-off Unit" has the meaning given to that term in the definition of "Residential Unit with Lock-Off Capacity".

(ff) "Majority," whether or not capitalized, means any percentage greater than 50 percent.

(gg) "Map" means the condominium map of The Seasons at Keystone attached hereto and made a part hereof as Exhibit C, as the same may be amended from time to time.

(hh) "Membership" means a membership in the Association and the rights granted to Owners pursuant to this Declaration and the other Association Documents to participate in the Association.

(ii) "Mortgage" means any mortgage, deed of trust or other document pledging any Unit or interest therein as security for payment of a debt or obligation.

(jj) "Mortgagee" means any Person named as a mortgagee or beneficiary in any Mortgage, and any successor to the interest of any such Person under a Mortgage.

(kk) "Officer" means a duly elected or appointed officer of the Association.

(11) "Owner" means the record holder of legal title to the fee simple interest in any Unit or portion thereof. If there is more than one record holder of legal title to a Unit, each record holder shall be an Owner. The term "Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in a Unit.

(mm) "Pedestrian Bridge" has the meaning given to that term in Section 8.04 below.

(nn) "Person" means any natural person, corporation, partnership, limited liability company, association, trust, trustee, governmental or quasi-governmental entity or any other entity capable of owning real property under the laws of the State of Colorado.

(oo) "Property" means:

(i) The real property located in Summit County, Colorado, that is more particularly described on Exhibit A attached hereto and made a part hereof; and

(ii) Any real property that is later made subject to this Declaration in accordance with the terms and conditions contained herein.

(pp) "Purchaser" means a Person, other than Declarant or a Successor Declarant, who acquires legal title to the fee simple interest in any Unit or portion thereof

(qq) "Residential Unit with Lock-Off Capacity" means any Residential Unit that is capable of being separated into two distinct units by a door lockable from each such unit and: (i) one such unit has direct access to the hallway, one or more bathrooms and a kitchen; and (ii) the other such unit has direct access to the hallway and one or more bathrooms, but does not have a kitchen (the "Lock-Off Unit").

(rr) "Resort Operator" means Vail Summit Resorts, Inc. and its successors and assigns as the operator of the Keystone Ski Area.

(ss) "Rules and Regulations" means any instruments adopted by the Association for the regulation and management of the Condominium, as the same may be amended from time to time.

(tt) "Share of Common Expenses" means the share of Common Expenses allocated to each Unit in accordance with the terms and conditions of Section 7.02 below.

(uu) "Special Assessment" has the meaning given to that term in Section 7.05 below.

(vv) "Special Declarant Rights" means all "special declarant rights" (as such term is defined in the Act) that Declarant reserves in this Declaration.

(ww) "Successor Declarant" means any Person who succeeds to any Special Declarant Right.

(xx) "Summit County Records" means the Office of the Clerk and Recorder for Summit County, Colorado.

(yy) "Total Condominium Area" means the Area of all Units in the Condominium, as determined in accordance with paragraph 2.01(c) above.

(zz) "Unit" means a physical portion of the Condominium that:

- (i) Is created by this Declaration;
- (ii) Is designated for separate ownership; and
- (iii) Has boundaries that are described in this Declaration or shown on the Map; together with
- (iv) The Interest in Common Elements appurtenant to that Unit;
- (v) The right to exclusive or nonexclusive use of the Limited Common Elements appurtenant to that Unit, if any; and
- (vi) The Membership in the Association appurtenant to that Unit.

If walls, floors or ceilings are designated as boundaries of a Unit, all paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any portion of the finished surfaces thereof are part of the Unit, and all other portions of the walls, floors and ceilings are part of the Common Elements.

## 2.02 Gender and Number.

Wherever the context of this Declaration so requires:

- (a) Words used in the masculine gender shall include the feminine and neuter genders;
- (b) Words used in the neuter gender shall include the masculine and feminine genders;
- (c) Words used in the singular shall include the plural; and

- (d) words used in the plural shall include the singular.

ARTICLE III  
UNITS AND COMMON ELEMENTS

3.01 Units.

- (a) Declarant hereby creates 32 Units within the Condominium, the boundaries and identifying numbers of which are shown on the Map.
- (b) Declarant reserves the right to create a maximum of 72 Units within the Condominium, as the same may be expanded from time to time.
- (c) No Owner may alter its Unit, subdivide its Unit or relocate the boundaries between its Unit and an adjacent Unit, except as provided by this Declaration or the Act.
- (d) Except as expressly provided to the contrary in this Declaration the Interest in General Common Elements, the right to use Limited Common Elements and the Membership in the Association appurtenant to the Unit may not be partitioned or separated from the Unit or any part thereof.
- (e) Notwithstanding anything to the contrary contained in paragraphs 3.01(c) or (d) above or elsewhere in this Declaration:
- (i) Nothing shall prevent or limit Declarant's exercise or enjoyment of any Special Declarant Right; and
- (ii) An Owner may grant its right to use any General Common Element or any Limited Common Element appurtenant to the Owner's Unit to the Owner's Guests.

3.02 Interests in Common Elements.

- (a) The Interests in Common Elements shall be allocated among the Units as set forth in this section 3.02. The Interest in Common Elements appurtenant to a Unit shall be expressed as a percentage and calculated in accordance with the following formula:

$$\begin{array}{lcl} \text{Interest in} & & ( \text{Area of the Unit} ) \times 100 \\ \text{Common Elements} & = & (\text{Total Condominium Area}) \end{array}$$

- (b) The Interests in Common Elements appurtenant to the initial 32 Units of the Condominium are set forth on Exhibit D attached hereto and made a part hereof.
- (c) If any Units are added to or withdrawn from the Condominium, or if the Area of one or more Units is increased or decreased, the Interest in Common Elements for all



Units within the Condominium after such addition, withdrawal, increase or decrease shall be recalculated in accordance with the formula set forth in paragraph 3.02(a) above.

(d) An Interest in Common Elements may not be partitioned from the Unit to which it is appurtenant, and any purported conveyance, encumbrance or transfer of an Interest in Common Elements made without the Unit to which the Interest in Common Elements is appurtenant shall be void.

3.03 Limited Common Elements.

Except as expressly provided to the contrary in this Declaration, the allocation of the Limited Common Elements shown on the Map, described in this Declaration or by operation of the Act may not be altered without the consent of all Owners whose Units would be affected by such reallocation, and then, only in accordance with the terms and conditions of the Act.

3.04 Separate Taxation of Units.

Pursuant to the Act, each Unit constitutes a separate parcel of real estate and will be separately assessed and taxed.

3.05 Description of Units.

To convey, encumber or otherwise affect legal title to a Unit an instrument must describe the Unit as follows:

Unit\_\_\_\_\_, The Seasons at Keystone, Summit County, Colorado, according to the Declaration of Covenants, Conditions and Restrictions for The Seasons at Keystone, recorded under Reception No. \_\_\_\_\_ of the records of the Clerk and Recorder for Summit County, Colorado, and the Condominium Map attached as an exhibit thereto and also separately recorded under Reception No. \_\_\_\_\_ of the records of the Clerk and Recorder for Summit County, Colorado.

ARTICLE IV  
THE ASSOCIATION

4.01 Formation of the Association.

On or before the date on which Declarant conveys the first Unit to a Purchaser, Declarant shall form the Association.

4.02 Purposes and Powers.

(a) The Association's purposes are:

(i) To manage, operate, insure, construct, improve, repair, replace, alter and maintain the Common Elements;

(ii) To provide certain facilities, services and other benefits to the Owners;

(iii) To administer and enforce the covenants, conditions, restrictions, reservations and easements created hereby;

(iv) To levy, collect and enforce the Assessments, charges and liens imposed pursuant hereto;

(v) To enter into agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with one or more common interest community associations, which contemplate the sharing of expenses among the Association and the other Persons for improvements, facilities and services that serve the Association and the other Persons;

(vi) To take any action that it deems necessary or appropriate to protect the interests and general welfare of Owners; and

(vii) To regulate and manage the Condominium.

(b) Unless expressly prohibited by law or any of the Association Documents, the Association may:

(i) Take any and all actions that it deems necessary or advisable to fulfill its purposes;

(ii) Exercise any powers conferred on it by the Act or any Association Document; and

(iii) Exercise all powers that may be exercised in Colorado by nonprofit corporations.

(c) Without in any way limiting the generality of paragraph 4.02(b) above, the Association may, but is not obligated to:

(i) Provide certain facilities and services to the Owners, such as  
(A) recreational facilities and services, (B) water, sewer, gas, electric, cable television and

other utility facilities and services, (C) parking facilities and services, (D) trash collection facilities and services, and (E) snow removal facilities and services;

(ii) Acquire, sell, lease and grant easements over, across and through Common Elements;

(iii) Borrow monies and grant security interests in the Common Elements and in the assets of the Association as collateral therefore;

(iv) Make capital improvements, repairs and replacements to the Common Elements; and

(v) Hire and terminate managing agents and other employees, agents and independent contractors.

#### 4.03 Association Documents.

(a) This Declaration creates the Condominium and sets forth certain covenants, conditions, restrictions, reservations, easements, assessments, charges and liens applicable to the Property. The Articles create the Association. The Bylaws provide for the regulation and management of the Association and the Rules and Regulations provide for the regulation and management of the Condominium.

(b) If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. If there is any conflict or inconsistency between the terms and conditions to the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

#### 4.04 Books and Records.

Upon request, the Association shall allow Owners and Mortgagees and their respective agents to inspect current copies of the Association Documents and the books, records, budgets and financial statements of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

ARTICLE V  
MEMBERSHIP AND VOTING

5.01     Membership.

(a)       There shall be one Membership appurtenant to each Unit. The Membership appurtenant to a Unit shall be held by the Owners of that Unit and may not be separated from the Unit to which it is appurtenant. A Membership may be transferred or encumbered only in connection with the conveyance or encumbrance of a fee simple interest in the Unit to which the Membership is appurtenant. Any transfer or encumbrance of a Membership other than as permitted in this Section 5.01 shall be void and have no force or effect.

(b)       Notwithstanding anything to the contrary contained in paragraph 5.01(a) above, an Owner may assign its voting rights to any Person by duly executed proxies timely delivered to the Association.

5.02     Voting.

(a)       Each Membership shall be entitled to one vote, regardless of the number of Owners of the Unit to which the Membership is appurtenant. Fractional voting shall not be allowed. If the Owners of a Unit cannot agree among themselves as to how to cast their vote on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a certain Membership, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the Membership, unless objection thereto is made by an Owner of the Unit to the Person presiding over the meeting at the time the vote is cast. If more than one vote is cast for any particular Membership, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b)       The votes allocated to the initial 32 Units of the Condominium are set forth on Exhibit D attached hereto and made a part hereof.

(c)       In any election of Directors to the Executive Board, every Membership shall have the number of votes equal to the number of Directors to be elected. Cumulative voting shall not be allowed in the election of Directors of the Executive Board or for any other purpose.

(d)       The Association shall have no voting rights for any Membership appurtenant to any Unit owned by the Association.

ARTICLE VI  
EXECUTIVE BOARD

6.01     Number and Election of Directors.

The Executive Board shall consist of three Directors. The initial Directors shall hold office until the election or appointment of their successors at the 2003 annual meeting. Thereafter, subject to the terms and conditions of Sections 6.03 and 6.04 below, each Director will hold office for a term of one year and the Owners shall elect the Directors at the annual meetings.

6.02     Powers of the Executive Board.

(a)       Except as provided in this Declaration, the Articles and the Bylaws, the Executive Board may act on behalf of the Association in all instances.

(b)       The Executive Board may not act on behalf of the Association to:

(i)     Amend this Declaration;

(ii)    Terminate the Association, this Declaration or the Condominium;

(iii)   Elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of any Director's term, subject to Declarant's rights under Section 6.03 below; or

(iv)    Determine the qualifications, powers and duties, or terms of office, of Directors.

6.03     Declarant Control Period.

(a)       Subject to the terms and conditions of paragraphs 6.03(b) and (c) below, but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all Directors and Officers during the Declarant Control Period. The phrase "Declarant Control Period" means the period commencing on the date on which Declarant forms the Association and ending on the earliest to occur of:

(i)     The date that is sixty days after conveyance to Purchasers of 75 percent of the maximum number of Units that may be created by Declarant under this Declaration;

(ii)    The date that is two years after the last conveyance of a Unit by Declarant or a Successor Declarant in the ordinary course of business; or

(iii) The date that is two years after any right to add new Units was last exercised.

(b) Declarant may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

(c) Notwithstanding anything to the contrary contained in paragraph 6.03(a) above, not later than sixty days after the conveyance of 25 percent of the Units that may be created under this Declaration to Purchasers, one Director appointed by Declarant shall be replaced with a Director elected by Owners other than Declarant.

(d) During the thirty-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of three Directors, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

#### 6.04 Removal of Directors.

Notwithstanding any provision of this Declaration or any other Association Document to the contrary:

(a) Directors appointed by Declarant may be removed, with or without cause, solely by Declarant.

(b) Each Director, other than a Director appointed by Declarant, may be removed, with or without cause, by a 67 percent or greater vote of all Units represented and entitled to vote at any meeting at which a quorum is present.

#### 6.05 Replacement of Directors.

(a) Vacancies on the Executive Board created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.

(b) Except with respect to a Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of a Director shall be filled by a Director elected by the Owners.

(c) Any Director elected or appointed pursuant to this Section 6.05 shall hold office for the remainder of the unexpired term of the Director that Director replaced.

ARTICLE VII  
ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS

7.01    Obligations for Assessments.

(a)    Each Owner, by accepting a deed to a Unit (regardless of whether it shall be expressly stated in such deed), shall be deemed to have covenanted and agreed, to pay to the Association all:

(i)    General Assessments;

(ii)   Special Assessments;

(iii) Default Assessments; and

(iv) Other charges, that the Association is required or permitted to levy or impose on such Owner or such Owner's Unit pursuant to this Declaration or any other Association Document.

(b)    Notwithstanding the definition of the term "Owner":

(i)    A Person who acquires a Unit in a foreclosure sale shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or on the Owner of that Unit commencing on the date of the foreclosure sale ; and

(ii)   A Person who acquires a Unit by deed-in-lieu of foreclosure shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Unit or on the Owner of that Unit commencing on the date on which the Owner of the unit executes the deed-in-lieu of foreclosure.

(c)    No Owner shall be exempt from liability for any such Assessment or other charges by waiving the use or enjoyment of any Common Element by abandoning a Unit against which such Assessments or other charges are made.

(d)    Each Owner shall be personally liable for all Assessments and other charges levied on such Owner or such Owner's Unit during the period of such Owner's ownership of the Unit. If there is more than one Owner of a Unit, each Owner shall be jointly and severally liable with the other Owners of the Unit for all Assessments and other charges levied on the Unit or any Owner of the Unit.

(e)    Each Assessment or other charge, together with interest and penalties thereon and all costs and expenses incurred by the Association to collect such Assessment or

other amount, including all fees and disbursements of attorneys, accountants, appraisers, receivers and other professionals engaged by the Association in connection therewith, may be recovered by a suit for a money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

7.02 Shares of Common Expenses.

(a) Except as otherwise set forth in this Declaration, the Association's Common Expenses shall be allocated among the Units as set forth in this Section 7.02. The Share of Common Expenses allocated to a Unit shall be expressed as a percentage and calculated in accordance with the following formula:

$$\text{Share of Common Expenses} = \frac{\text{Area of the Unit}}{\text{Total Condominium Area}} \times 100$$

(b) The Shares of Common Expenses attributable to the initial 32 Units of the Condominium are set forth on Exhibit D attached hereto and made a part hereof.

(c) If any Units are added to or withdrawn from the Condominium or the Area of any Unit is increased or decreased, the Shares of Common Expenses for all Units within the Condominium after such addition, withdrawal increase or decrease shall be recalculated in accordance with the formula set forth in paragraph 7.02(a) above.

(d) Until the Association levies an Assessment, Declarant shall pay all Common Expenses.

7.03 Budgets.

(a) Prior to the first levy of a General Assessment, and thereafter on or before October 1 of each calendar year, the Executive Board shall adopt a proposed annual budget for the Association for the following calendar year that sets forth:

(i) The Executive Board's estimates of Common Expenses for the next calendar year;

(ii) The amount of funds for such Common Expenses that the Executive Board proposes to raise through General Assessments; and

(iii) The amount of funds for such Common Expenses that the Executive Board proposes to raise through Special Assessments.

(b) Within thirty days after adopting a proposed annual budget, the Executive Board shall deliver a summary of the proposed annual budget to the Owners and set a date for a meeting of the Owners to consider ratification of the proposed annual budget. The date of such



meeting shall not be less than fourteen days nor more than sixty days after the delivery of the summary of the proposed annual budget to the Owners. Unless at that meeting a majority of the votes allocated to all Memberships, whether or not a quorum is present, rejects the proposed annual budget, the proposed annual budget shall be deemed ratified. If the proposed annual budget is rejected, the annual budget last ratified by the Owners shall be deemed renewed for the next calendar year and shall remain in full force and effect until such time as the Owners ratify a subsequent annual budget proposed by the Executive Board.

(c) If the Executive Board deems it necessary or advisable to amend an annual budget that has been ratified by the Owners under paragraph 7.03(b) above, the Executive Board may adopt a proposed amendment to the annual budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than fourteen days nor more than sixty days after the delivery of the summary of the proposed amendment. Unless at that meeting a majority of the votes allocated to all Memberships, whether or not a quorum is present, rejects the proposed amendment, the proposed amendment shall be deemed ratified.

#### 7.04 General Assessments.

(a) After the Owners ratify an annual budget pursuant to paragraph 7.03(b) above, the Association shall levy an assessment for Common Expenses (a "General Assessment") on each Unit. The amount of the General Assessment levied against a Unit shall equal the product obtained by multiplying:

(i) The amount set forth in the annual budget ratified by the Owners as the amount of Common Expenses to be raised by General Assessments, by

(ii) That Unit's Share of Common Expenses.

(b) The Owners shall pay the General Assessments levied against their respective Units in such periodic installments as may be required by the Association.

(c) If the Owners ratify an amendment to the General Assessment portion of an annual budget pursuant to paragraph 7.03(b) above, the amount of the General Assessment levied against each Unit shall be adjusted accordingly, as shall the amount of each Owner's periodic installments.

(d) If the Owners fail to ratify an annual budget for any calendar year prior to January 1 of that calendar year, the Owners shall continue to pay periodic installments of the General Assessment to the Association at the rate payable during the prior calendar year until such time as the Owners ratify a new annual budget for the then current calendar year. Once the Owners ratify a new annual budget, the Association shall levy against each Unit the General Assessment for the then current calendar year and each Owner's periodic installments shall be adjusted as necessary to pay the new General Assessment in equal periodic installments over the remainder of such calendar year,

giving the Owners credit, in such manner as the Executive Board deems necessary or appropriate, for any installments that the Owners have previously paid to the Association during such calendar year.

(e) The failure of the Association to levy a General Assessment for any calendar year shall not be deemed a waiver, modification or release of an Owner's liability for the Share of Common Expenses allocated to such Owner's Unit.

7.05 Special Assessments.

(a) The Assessments that the Association may levy pursuant to this Section 7.05 are referred to in this Declaration as "Special Assessments."

(b) Notwithstanding anything to the contrary contained in Section 7.04 above, if any Common Expense is (i) attributable to the operation, maintenance, repair, replacement, alteration or improvement of a Limited Common Element, or (ii) benefits fewer than all of the Units, the Association may levy an Assessment for such Common Expense against the Units to which that Limited Common Element is assigned, equally, in proportion to the Shares of Common Expenses attributable to those Units or in any other equitable proportion as the Association reasonably deems appropriate.

(c) Each Special Assessment levied against any Unit shall be shown on an annual budget, or an amendment to an annual budget, ratified by the Owners pursuant to Section 7.03 above and shall be paid as and when required by the Association.

7.06 Default Assessments.

(a) Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by:

(i) The negligence or misconduct of an Owner or an Owner's Guest; or

(ii) A violation of any covenant or condition of an Association Document by an Owner or an Owner's Guest, the Association may levy an Assessment for such Common Expense against such Owner's Unit. Any such Assessment levied by the Association and each fine, penalty, fee or other charge imposed upon an Owner for the Owner's violation of any covenant or condition of any Association Document are each referred to herein as a "Default Assessment."

(b) Default Assessments need not be shown on an annual budget, or on an amendment to an annual budget, ratified by the Owners pursuant to Section 7.03 above.

(c) With respect to any Default Assessment, or portion thereof, levied other than as a late charge, the Owner of the Unit against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard. Owners of Units against which Default Assessments have been levied shall pay such Default Assessments as and when required by the Association.

7.07 Assignment of Assessments.

The Association shall have an unrestricted right to assign its right to receive Assessments and other future income, either as security for obligations of the Association or otherwise, on the condition that any such assignment is approved by a majority of the votes allocated to Memberships present at a meeting at which a quorum is present.

7.08 Assessment Lien.

(a) The Association shall have a lien on each Unit for any Assessment levied against that Unit and any fines, late charges, penalties, interest and attorneys' fees, disbursements and costs of collection imposed against its Owner under any Association Document (the "Assessment Lien"). The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien shall secure each installment from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

(b) An Assessment Lien is prior to all other liens and encumbrances on a Unit, except:

(i) Liens and encumbrances recorded prior to the recordation of this Declaration;

(ii) Liens for real estate taxes and other governmental assessments or charges against the Unit; and

(iii) A First Mortgage which was recorded before the date on which the Assessment sought to be enforced became delinquent.

(c) Notwithstanding the terms and conditions of subparagraph 7.08(b)(iii) above, an Assessment Lien is prior to a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent, to the extent permitted by the Act.

(d) The recording of this Declaration constitutes record notice and perfection of an Assessment Lien on each Unit. No further recordation of any claim of any Assessment Lien is required.

(e) An Assessment Lien is extinguished unless proceedings to enforce the Assessment Lien are instituted within six years after the full amount of the Assessment secured thereby becomes due.

(f) This Section 7.08 does not prohibit actions or suits to recover sums secured by an Assessment Lien or the Association from taking a deed in lieu of foreclosure.

(g) In any action by the Association to collect Assessments or to foreclose an Assessment Lien for unpaid Assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be owed by the Owner prior to or during the pendency of the action. A court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Assessments.

(h) An Assessment Lien may be foreclosed in like manner as a mortgage on real estate. Periodic Assessments shall be payable during the period of foreclosure of an Assessment Lien.

#### 7.09 Waiver of Homestead Exemptions.

By acceptance of the deed or other instrument of conveyance of a Unit, an Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended, as the same may apply to the Assessment Lien.

#### 7.10 Estoppel Certificates; Notices to Mortgagees.

(a) The Association shall furnish to an Owner or such Owner's designee or to a Mortgagee or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit. The statement shall be furnished within fourteen calendar days after receipt of the request and is binding on the Association, the Executive Board and every Owner. If no statement is furnished to the Owner, the Mortgagee or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert the priority of its Assessment Lien upon the Unit for unpaid Assessments which were due as of the date of the request.

(b) If a First Mortgagee delivers to the Association a written request for notice of unpaid Assessments levied against a Unit subject to a First Mortgage held by that First Mortgagee, the Association shall report to the First Mortgagee any unpaid Assessments levied against such Unit that remain unpaid for more than sixty days after the same shall have become due. The First Mortgagee may pay any such unpaid Assessment, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such First Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as a lien of the First Mortgage held by such First Mortgagee.

7.11 Reserve Fund.

(a) The Association shall have the right to maintain a reserve fund for Common Expenses. The reserve fund will be funded as follows. At the closing of the sale of a Unit by Declarant to a Purchaser, the Purchaser shall pay to the Association an amount equal to the Association's estimate of three months of Common Expenses for the fiscal year in which the sale of the Unit occurs. Thereafter, the Association may increase the reserve fund or replace funds withdrawn from the reserve fund with funds collected through Assessments.

(b) Payments by Purchasers to the Association at closings under paragraph 7.11(a) above shall not be credited against, or relieve Purchasers from, their obligation to pay other Assessments levied against Units by the Association.

(c) Upon the sale of a Unit from one Owner to another, the Association shall not be obligated to return to the transferor any funds held in reserve.

ARTICLE VIII  
UTILITIES AND ACCESS

8.01 Water, Sewer, Gas and Trash and Snow Removal Services.

(a) In connection with its construction of the initial 32 Units and the other initial Improvements, Declarant has installed water, sewer and gas lines that service the initial Units and all of the other initial Improvements. If Declarant adds any portion of the Additional Property to the Condominium and creates additional Units and Common Elements thereon, Declarant shall install water, sewer and gas lines to service those Units and Common Elements.

(b) The Association shall be responsible for obtaining water, sewer, gas, trash removal and snow removal services for all portions of the Condominium.

(c) Common Expenses incurred by the Association for water, sewer, gas, trash removal and snow removal services shall be allocated among the Units in accordance with the Units' respective Shares of Common Expenses without regard to usage.

8.02 Electric, Telephone and Cable Television.

(a) In connection with its construction of the initial 32 Units and the other initial Improvements, Declarant has installed electric, telephone and cable television lines that service all portions of the Condominium. If Declarant adds any portion of the Additional Property to the Condominium and creates additional Units and Common Elements thereon, Declarant shall install electric, telephone and cable television lines to serve those Units and Common Elements.

(b) Each Owner shall be responsible for obtaining electric, telephone and cable television services for its Unit and the Limited Common Elements designed to serve only its Unit and shall pay all costs, expenses, fees, rates and other charges incurred in connection therewith directly to the utility or service company providing the same. Each Owner shall ensure that its Unit is sufficiently heated to prevent the freezing of the water and sewer lines serving the Condominium.

(c) The Association shall determine what, if any, electric, telephone and cable television services are necessary for the Common Elements and shall be responsible for obtaining those services. The Common Expenses incurred by the Association for those services shall be allocated among all Units and charged to the Owners in accordance with the Shares of Common Expenses allocated to the Units as a portion of the General Assessments.

(d) To the extent that the Association incurs any Common Expense for any electric, telephone or cable television services for a Limited Common Element, the Association may, but is not obligated to, allocate the Common Expenses so incurred among the Units to which that Limited Common Element is assigned, equally, in proportion to the Shares of Common Expenses allocated to those Units or in any other equitable proportions the Association reasonably deems appropriate.

#### 8.03 Other Utilities.

If the Association incurs Common Expenses for any utility service not described above, or if the manner of providing or metering any utility service described above changes from the manner in which such service is provided or metered as of the date of this Declaration, the Association may allocate the Common Expenses incurred for such new utility service or changed utility service in any reasonable and equitable manner approved by at least 67 percent of all of votes allocated to all Memberships.

#### 8.04 Amenities Building and Pedestrian Bridge.

(a) Included within the Condominium as General Common Elements are:

(i) An amenities building, consisting of two exterior hot tubs, steam room, outdoor BBQ area with gas grill, changing rooms and showers, and related parking spaces (collectively, with all associated facilities, the "Amenities Building"); and

(ii) A bridge providing pedestrian access to and from the Condominium and the area of the Resort commonly referred to as Lakeside Village, as shown on the Map (the "Pedestrian Bridge").

(b) The Condominium is subject to that certain Pedestrian Bridge Easement Agreement between Declarant and Vail Summit Resorts, Inc., pursuant to which the

Condominium has an easement for the construction, location, use, maintenance, repair and replacement of the Pedestrian Bridge.

ARTICLE IX  
MAINTENANCE OF COMMON ELEMENTS AND UNITS

9.01     Maintenance of Common Elements.

Except as otherwise provided in this Declaration, the Association, or its duly designated agent, shall maintain the Common Elements and the improvements and landscaping located thereon in good order and repair and shall otherwise manage and operate the Common Elements as it deems necessary or appropriate. In addition, the Association shall ensure that all interior Common Elements are sufficiently heated to prevent the freezing of water and sewer lines serving the Condominium. In this regard the Association may:

- (a)     Construct, modify, add to, repair, replace or renovate any improvements that are located on or constitute a part of any Common Element;
- (b)     Plant and replace trees, shrubs and other vegetation on any Common Element;
- (c)     Place, maintain and replace signs upon any Common Element;
- (d)     Adopt and enforce Rules and Regulations regulating the use of Common Elements; and
- (e)     Take any other actions as the Association deems necessary or advisable to protect, maintain, operate, manage or regulate the use of the Common Elements.

9.02     Maintenance of Units.

Each Owner, at such Owner's sole cost and expense, shall maintain in good order and repair its Unit (including all fixtures located therein), and the Limited Common Elements assigned solely to its Unit, other than those Limited Common Elements which the Association chooses to maintain for reasons of uniformity or structural considerations. Without limiting the generality of the preceding sentence, the Association may maintain all exterior patios, roofs, decks, trellises, skylights, parking areas and other such exterior portions of the Condominium, even if such portions are Limited Common Elements appurtenant to a single Unit, and all costs incurred by the Association in that regard may be charged to Owners as Special Assessments in accordance with Section 7.05 above.

9.03 Mechanic's Liens and Indemnification.

No labor performed or materials furnished and incorporated into a Unit with the consent or at the request of an Owner or an agent, contractor or subcontractor of an Owner shall be the basis either for filing a lien against the Unit of any other Owner not expressly requesting or consenting to the same, or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners and any Mortgagee from and against all liability arising from any claim or lien against the Unit of any other Owner or against the Common Elements for construction performed or for labor, materials, services or supplies incorporated in the Owner's Unit at the Owner's request.

9.04 Keystone Village Association.

The rights and obligations of the Association and the Owners under this Article IX are subject to the rights of the Keystone Village Association and the Keystone Architectural and Planning Control Board under the Keystone Village Documents.

ARTICLE X  
COVENANTS, CONDITIONS AND RESTRICTIONS

10.01 Applicability of Covenants, Conditions and Restrictions.

Except as otherwise provided in this Declaration, the covenants, conditions and restrictions set forth in this Article X shall apply to all Units and Common Elements.

10.02 Association Documents.

Each Owner shall comply with, and shall require its Guests to comply with, all provisions of the Association Documents that apply to such Owner or such Owner's Units.

10.03 Keystone Village Documents.

Each Owner shall comply with, and shall require its Guests to comply with, all provisions of the Keystone Village Documents that apply to such Owner or such Owner's Units.

10.04 Notice of Conveyance, Assignment or Encumbrance.

(a) Promptly after a conveyance of a fee simple interest in a Unit or portion thereof, the grantee shall furnish a copy of the conveyance deed to the Association.

(b) Promptly after an encumbrance of a fee simple interest in a Unit or portion thereof, the Owner shall furnish the Association with a copy of the Mortgage creating the encumbrance.



10.05 Use of Units.

(a) Except as otherwise expressly permitted by this Declaration, an Owner may use its Unit only as a permanent or vacation residence for itself and its Guests. No Owner shall lease its Unit for a term longer than sixty days, or for consecutive terms of less than sixty days if such terms, when aggregated, exceed sixty days, without the prior written consent of the Association. The foregoing restriction shall not apply to consecutive short term rentals for vacations. No Owner shall conduct any business, profession, occupation or trade from its Unit, including, without limitation, the operation of a so-called "bed and breakfast" or "chalet".

(b) Notwithstanding the restrictions set forth in paragraph 10.05(a) above:

(i) An Owner may use its Unit as its private office, on the condition that the Owner does not invite others to its Unit to conduct business; and

(ii) The Association and, during the Declarant Control Period, Declarant may use one Unit owned or leased by it as a management office, or a combined management office and residence for a resident manager, for the Condominium;

10.06 Use of Common Elements.

All Owners and their Guests may use the General Common Elements and the Limited Common Elements designed to serve their Units for the purposes for which such Common Elements are intended. Notwithstanding the preceding sentence, neither an Owner nor a Guest may use any Common Element in any manner that unreasonably interferes with the rights of other Owners in and to the Common Elements. Without limiting the generality of the foregoing, no Owner shall cause, or permit its Guests to cause, waste to any Common Element. The Owners' rights to use the Common Elements are subordinate and subject to all of the rights and powers of the Association with respect to the Common Elements, including without limitation, the Association's right and power to adopt rules regulating the use of the Common Elements.

10.07 Alterations.

(a) Except as otherwise expressly provided in this Declaration, an Owner of a Unit may not make any improvement or alteration to a Common Element or any improvement or alteration to its Unit that affects any Common Element or any other Unit, without the prior written consent of the Association. An Owner of a Residential Unit with Lock-Off Capacity may not install a kitchen in the Lock-off Unit without first obtaining the prior written consent of the Declarant and the Summit County Planning Department.

(b) Without limiting the generality of paragraph 10.07 (a) above, an Owner of a Unit may not, without the prior written consent of the Association, install or erect any improvement, mechanical system or fixture, that:

- (i) Protrudes beyond the boundaries of the Owner's Unit; or
- (ii) Is located wholly outside the Owner's Unit (even if located within a Limited Common Element that is assigned to solely the Owner's Unit).
- (c) No new Improvement shall be constructed on the Property and no construction, alteration or installation or other work affecting the exterior surface of any existing Improvement shall be made, except as required or approved by the Keystone Architectural and Planning Control Board, and then only in strict accordance with the terms and conditions of the Keystone Village Documents.
- (d) The Association shall perform or make, or cause to be performed or made, any Improvement, construction, alteration, installation or other work on, to or affecting the exterior of any Improvement on the Property which the Keystone Village Association requires, in writing, to be performed or made.

10.08 Nuisances, Hazardous Activities and Unsightliness.

- (a) No Person shall conduct any activity on the Property which creates a nuisance. Without limiting the generality of the foregoing:
  - (i) No lights shall be emitted that are unreasonably bright or cause unreasonable glare;
  - (ii) No sound shall be emitted that is unreasonably loud or annoying;  
and
  - (iii) No odor shall be emitted that is unreasonably offensive.
- (b) No Person shall conduct any activity on the Property which is or might be hazardous to any Person or property. Without limited the generality of the foregoing:
  - (i) No open fires shall be allowed to exist;
  - (ii) No firearms may be discharged; and
  - (iii) No hunting may be conducted.
- (c) No unsightliness shall be permitted at the Property. Without limiting the generality of the foregoing:

(i) All exterior mechanical equipment lines, wires, pipes and other facilities shall either be buried or enclosed within a structure approved by the Keystone Architectural and Planning Control Board; and

(ii) All garbage shall be stored in accordance with the terms and conditions of Section 10.14 below.

(d) The Association shall have the power to grant variances from the terms and conditions of this Section 10.08 from time to time as its deems necessary. Normal construction activities shall not be considered to violate the terms and conditions of this Section 10.08.

#### 10.09 Signs.

(a) No signs whatsoever shall be erected or maintained on the Property, except signs required by legal proceedings and those permitted or approved by the Keystone Architectural and Planning Control Board.

(b) Without limiting the generality of paragraph 10.09(a) above, no "For Sale" or "For Rent" signs shall be displayed on the exterior or interior of a Unit.

#### 10.10 Compliance with Laws.

Nothing shall be done or kept at the Property in violation of any law, ordinance, rule, regulation or other requirement of any governmental or quasi-governmental authority.

#### 10.11 Compliance with Insurance.

Except as may be approved in writing by the Association, nothing shall be done or kept at the Property that may result in the cancellation of any insurance maintained by the Association or may result in an increase in the rates of any such insurance.

#### 10.12 Restriction on Subdivision, Rezoning and Timesharing.

(a) No Unit may be subdivided, unless the subdivision has been approved by 100 percent of the votes in the Association.

(b) No application for rezoning any portion of the Property, and no applications for variances or use permits, shall be filed with any governmental or quasi- governmental authority, unless the proposed rezoning has been approved by 100 percent of the votes in the Association and the uses that would be permitted under the rezoning comply with this Declaration and the other Association Documents.

(c) No Owner shall offer or sell any interest in any Unit under a "timesharing" or "interval ownership" plan or similar plan.

(d) The covenants, conditions and restrictions set forth in paragraphs 10.12(a) through (c) above shall not apply to Declarant's development of the Property or to Declarant's exercise of any Special Declarant Right.

10.13 Vehicles and Parking.

(a) No motor vehicle classed by manufacturer rating as exceeding three-quarter ton and no mobile home, trailer, detached camper or camper shell, boat or other similar equipment or vehicle may be kept or parked at the Property.

(b) No motor vehicle shall be constructed, repaired or serviced at the Property.

(c) Each Owner shall park its vehicles, and shall cause its Guests to park their vehicles, in:

(i) The garage located within the Owner's Unit or the reserved parking space identified on the Map as a Limited Common Element appurtenant to the Owner's Unit, if any; and

(ii) The parking spaces that are designated as General Common Elements.

(d) An Owner may not park its vehicles, and shall not permit its Guests to park their vehicles, in:

(i) Any parking spaces that are designated as Limited Common Elements assigned to any other Owner's Unit; or

(ii) Outside of any designated parking area or on any street or road, or on the shoulder of any street or road located at, on or adjacent to the Property.

(e) The parking spaces that are not designated on the Map as Limited Common Elements are General Common Elements and available to all Owners on a "first come, first serve" basis. Notwithstanding the foregoing, an Owner may not use more than one parking space that is a General Common Element at any time.

(f) An Owner may not store a motor vehicle in any parking space that is designated as a General Common Element when neither the Owner nor its Guest is occupying its Unit.

(g) An Owner may not sell, lease or otherwise convey all or any of the parking rights it has by virtue of its Ownership of a Unit or Membership in the Association, except in connection with the sale, lease or other conveyance of its Unit, and then only to the purchaser or lessor of its Unit.

#### 10.14 Trash, Garbage and Other Waste Materials.

(a) Owners shall store all trash, garbage and other waste materials in accordance with the terms and conditions of this Section 10.14.

(b) All trash, garbage or other waste material shall be stored within collection areas shown on the Map or as otherwise designated by the Association within containers which meet the specifications recommended, adopted or promulgated by the North American Bear Society, the Colorado Department of Wildlife or the U.S. National Park Service for bear-proof trash containers. No trash, garbage or other waste material shall be stored by any Owner in any location not designated as a collection area.

#### 10.15 Exterior Storage.

No Owner shall store any materials or items on or in any Common Element, other than those Common Elements designed for that purpose, and then only in strict accordance with the terms and conditions of the Association Documents.

#### 10.16 Pets.

(a) No Owner may keep any livestock or wild animal within the Condominium. An Owner may keep up to two domestic pets, such as dogs and cats, (and offspring not more than three months old) in its Unit, but only in accordance with the terms and conditions of this Section 10.16.

(b) All dogs must be kept within an Owner's Unit and shall not be permitted on other portions of the Property unless the dog is leashed and under the control of a responsible individual. No kennels, dog runs or other facilities for pets shall be permitted on any portion of the Property.

(c) No Owner shall allow its dogs to run freely. When the dog of an Owner or the Owner's Guest leaves the Owner's Unit, the dog must be leashed and under the control of a responsible individual. Leashes shall be no longer than twelve feet in length.

(d) Dogs and other pets must be fed within an Owner's Unit. Dogs and other pets may not be fed outside an Owner's Unit.

(e) The Association shall enforce the covenants, conditions and restrictions set forth in this Section 10.16. The covenants, conditions and restrictions set forth in this

Section 10.16 may also be enforced by Summit County, Colorado, and the Colorado Department of Wildlife. If an Owner or its Guests violate any of the covenants, conditions and restrictions set forth in this Section 10.16, the Association may remove the pet from the Property and/or fine the Owner \$250 for any second violation and \$500 for each subsequent violation, in addition to pursuing any and all other rights and remedies the Association has under this Declaration.

10.17 Wildlife.

- (a) All Owner's shall obtain and review the following publications:
  - (i) Living with Wildlife in Bear Country prepared by the Colorado Department of Wildlife;
  - (ii) Living with Wildlife in Mountain Lion Country prepared by the Colorado Department of Wildlife; and
  - (iii) Keystone's Living with Wildlife Guide, and follow the applicable recommendations set forth therein.
- (b) No Owner nor its Guests may feed, bait, salt or otherwise attempt to attract wildlife to the Property.

10.18 Solid-Fuel Burning Devices; Barbeques; Combustibles.

- (a) No solid-fuel burning devices, such as charcoal grills, and wood burning stoves or fireplaces, shall be used, kept or stored on the Property.
- (b) No gas fueled, electric or other barbeque grill or similar grill or cooking apparatus shall be kept, stored or used on any balcony or deck appurtenant to any Unit.
- (c) No fuel sources, combustible materials, or ignition sources shall be kept, stored or used on or under any balcony or deck appurtenant to any Unit.

10.19 Declarant's Exemption.

Nothing contained in this Declaration or in any other Association Document shall be construed to prevent:

- (a) Declarant's exercise and enjoyment of any Special Declarant Right or any other rights of Declarant under this Declaration or any other Association Document; or

(b) The conduct by Declarant or its employees or agents of any activity, including, without limitation, the erection or maintenance of temporary structures, trailers, improvements or signs, necessary or convenient to the development, construction, marketing or sale of property within or adjacent to the Condominium.

## ARTICLE XI EASEMENTS AND RESERVATIONS

### 11.01 Declarant's Easements Over Common Elements.

(a) Declarant hereby reserves for itself, its successors and assigns a general easement over, across, through and under the Common Elements to:

(i) Discharge Declarant's obligations under this Declaration;

(ii) Exercise any of Declarant's rights under this Declaration; and

(iii) Make improvements at the Property, the Additional Property or any other real estate owned by Declarant, including without limitation, the right to temporarily close or restrict access to portions of the Property and the Additional Property in connection with such improvements.

(b) Declarant hereby reserves for itself, its successors and assigns, the right to:

(i) Establish from time to time utility, drainage, access and other easements, permits or licenses over, across, through and under the Common Elements for Declarant or other Persons; and

(ii) Create other reservations, exceptions and exclusions for the best interests of Declarant and other Persons, on the conditions that (A) the parties benefitted by the easement, license, permit, reservation, exception or exclusion must use reasonable efforts to locate any such easement, license, permit, reservation, exception or exclusion to minimize interference with the use of the Property by the Owners to the extent practicable; and (B) if the parties benefitted by the easement, license, permit, reservation, exception or exclusion construct or install any improvements on the Property pursuant to the same, the benefitted parties shall promptly repair any damage caused to the Property thereby at their sole cost and expense.

(c) In addition, until such time as Declarant adds any portion of the Additional Property to the Condominium, and after such time as Declarant withdraws any portion of the Property from the Condominium, Declarant shall have whatever easements as are reasonably necessary or desirable across the Property for access to and utility services for the Additional Property or the portion of the Property withdrawn from the Condominium, as the case may be.

#### 11.02 Utility Easement.

(a) Subject to the terms and conditions of this Declaration and all other Association Documents, Declarant hereby creates a general easement over, across, through and under the Property for ingress to, egress from, and installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity and cable communication that service the Property or any portion thereof as well as any such lines and systems which service property owned by Declarant or the Keystone Village Association.

(b) Pursuant to this easement, a utility or service company may install and maintain facilities and equipment on the Property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of Improvements to provide service to the Units or the Common Elements. Notwithstanding anything to the contrary contained in this Section 11.02, no sewers, electrical lines, water lines or other utilities or service lines may be installed or relocated on any portion of the Property, except in accordance with terms and conditions of Section 10.07 above. Any utility or service company using this general easement shall use its best efforts to install, repair, replace and maintain its lines and systems without disturbing the uses of Owners, the Association, Declarant and other utility and service companies.

(c) If any utility or service company furnishing utilities or services to the Property or any portion thereof or property of Declarant or the Keystone Village Association as permitted under paragraph 11.02(a) above requests a specific easement by separate recordable document, the Association shall have the right and authority, but not the obligation, to grant such easement over, across, through and under any portion of the Property.

#### 11.03 Association's Easements.

(a) The Association shall have a general easement over, across, through and under each Unit and each Common Element to:

(i) Exercise any right held by the Association under this Declaration or any other Association Document; and

(ii) Perform any obligation imposed upon the Association by this Declaration or any other Association Document.

(b) Notwithstanding the foregoing, the Association shall not enter any Unit under the easements described in paragraph 11.03 (a) above without reasonable prior notice to the Owner thereof, except in cases of emergency.



#### 11.04 Easements for Encroachments.

To the extent that any Unit or Common Element encroaches on any other Unit or Common Element, an easement shall exist for that encroachment, but such easement shall not relieve an Owner of liability in the case of willful misconduct.

#### 11.05 Emergency Access Easement.

Declarant hereby grants a general easement to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or Persons to enter upon the Property in the proper performance of their duties.

#### 11.06 Metro District Easement.

Declarant hereby grants a general easement to any metropolitan district or other special district providing services or facilities to the Property to enter upon the Property in the proper performance of their duties.

#### 11.07 Ski Lift Easement.

The Property is subject to that certain Tramway Easement Agreement between Declarant and Vail Summit Resorts, Inc., which creates an easement between Buildings D and E of the Condominium in the location set forth in the Easement, and a blanket easement, both for the benefit of the Resort Operator, for the construction, installation, operation, maintenance, repair and replacement of a ski lift connecting the Keystone Village to the Keystone Ski Area. The Resort Operator (a) has not obtained the approvals required for any such lift, (b) has no obligation to obtain such approvals, (c) may never obtain such approvals, and (d) has no obligation to construct the lift even if it obtains such approvals.

#### 11.08 Recorded Easements and Licenses.

The Property shall be subject (a) all easements and licenses as shown on any recorded plat affecting the Property and (b) any other easements or licenses of record or of use as of the date of recordation of this Declaration. The recording data for all presently recorded easements and licenses appurtenant to or included in the Condominium have been set forth on Exhibit E attached hereto. In addition, the Property is subject to all easements created or permitted by this Declaration.

## ARTICLE XII INSURANCE

### 12.01 Insurance Required to be Obtained by the Association.

The Association shall obtain and maintain all insurance required to be obtained and maintained by the Association under the Act and any additional insurance that the Executive Board deems necessary.

### 12.02 Casualty Insurance for Improvements.

(a) The Association shall obtain and maintain casualty insurance for all Improvements located on or forming a part of the Common Elements, including, without limitation, the structural and mechanical components serving the Units, in accordance with the requirements set forth in Section 12.01 above.

(b) Owners shall be responsible for obtaining and maintaining any casualty insurance that they desire for Improvements located in or forming a part of their Units, and for any fixtures, furnishings and equipment, other than fixtures and equipment that are part of the Common Elements, located within their Units.

### 12.03 Adjustments.

Any loss covered by insurance maintained by the Association shall be adjusted with the Association in accordance with the terms and conditions of the Act. The insurance proceeds for any such loss shall be paid in accordance with the terms and conditions of the Act.

## ARTICLE XIII CASUALTY

### 13.01 Casualty to Common Elements.

The Association shall respond to any damage to, or destruction of, any Common Elements in accordance with the terms and conditions of the Act.

### 13.02 Casualty to a Unit.

To the extent that the Association is not obligated to make any such repairs or replacements, each Owner of a Unit shall repair or replace any damage to or destruction to the interior of his Unit, as soon as is reasonably practical after such damage or destruction occurs.

ARTICLE XIV  
CONDEMNATION

14.01 Condemnation of all Units.

If the entire Condominium is taken by condemnation or similar proceeding, the Condominium shall terminate as of the date of the taking and any condemnation award payable in connection therewith shall be paid to the Association and then disbursed by the Association in accordance with the terms and conditions of the Act.

14.02 Condemnation of Fewer Than All Units.

If one or more Units, but less than the entire Condominium, is taken by condemnation or similar proceeding:

- (a) Any condemnation award payable in connection therewith shall be paid;
- (b) The Interests in Common Elements appurtenant to those Units shall be reallocated; and
- (c) The Shares of Common Expenses allocated to those Units shall be reallocated, in accordance with the terms and conditions of the Act. 14.03 Condemnation of Common Elements.

14.03 Condemnation of Common Elements

(a) If any Common Element is taken by condemnation or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Association and used by the Association:

- (i) First, to repair any damage to Common Elements resulting from the condemnation or similar taking; and
- (ii) Second, for any other Common Expenses.

(b) The Association shall not be required to pay all or any portion of the condemnation award received for the condemnation or similar taking of a Limited Common Element to the Owners of the Units served by such Limited Common Element, unless the Association deems it necessary or appropriate to do so.

ARTICLE XV  
SPECIAL DECLARANT RIGHTS

15.01 Improvements.

Declarant hereby reserves for itself, its successors and assigns the right, but is not obligated, to construct:

- (a) Any improvements shown on the Map, as the same may be amended from time to time; and
- (b) Subject to the conditions set forth in paragraph 11.01(b) above, any other buildings, structures or improvements that Declarant desires to construct on the Property, the Additional Property or any other real estate owned by Declarant, regardless whether the same ever become part of the Condominium.

15.02 Development Rights.

- (a) Declarant hereby reserves for itself, its successors and assigns:
  - (i) The right to amend this Declaration to add additional real estate to the Condominium as permitted pursuant to section 38-33.3-222 of the Act;
  - (ii) The right to amend this Declaration to add all or any portion of the Additional Property to the Condominium;
  - (iii) The right to amend this Declaration to create up to 40 additional Units and certain additional Common Elements on all or any portion of the Property, the Additional Property or any other real estate that the Declarant may add to the Condominium pursuant to subparagraph 15.02(a)(i) above;
  - (iv) The right to subdivide any Unit owned by Declarant;
  - (v) The right to combine any Units owned by Declarant;
  - (vi) The right to convert any Unit owned by Declarant into Common Elements;
  - (vii) The right to withdraw from the Condominium any real estate owned by Declarant and located within the Property prior to the conveyance of a Unit located within the Property to a Purchaser and, after the addition of any portion of the Additional Property or other real property to the Condominium, the right to withdraw any real estate owned by Declarant and located within such portion at any time prior to the conveyance of a Unit located in such portion to a Purchaser; and

(viii) The right to remove from the Additional Property all or any portion of the Additional Property prior to its inclusion in Condominium pursuant to 15.02(a)(ii) above.

(b) In exercising any development right reserved hereunder, Declarant shall execute and record an amendment to this Declaration in accordance with the requirements of the Act.

#### 15.03 Sales Offices and Model Homes.

Declarant hereby reserves for itself, its successors and assigns the right to maintain sales offices, management offices and models within any Unit owned or leased by Declarant. Declarant also reserves for itself, its successors and assigns the right to construct and maintain signs advertising the Condominium on any and all Common Elements.

#### 15.04 Merger.

Declarant hereby reserves for itself and its successors and assigns the right to merge or consolidate the Condominium with any other condominium.

#### 15.05 Exercising Special Declarant Rights.

Declarant may exercise its Special Declarant Rights at any time prior to the later to occur of the date on which the Declarant Control Period expires or the date that is fifty years after the date on which this Declaration is recorded in the Summit County Records. Declarant may exercise its Special Declarant Rights in any order, and no assurance is given as to the order in which Declarant will exercise its Special Declarant Rights. If Declarant exercises any Special Declarant Right with respect to any portion of the Property or the Additional Property, Declarant may, but is not obligated to, exercise that Special Declarant Right with respect to any other portion of the Property or the Additional Property. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this Article XV and any other right reserved to Declarant in this Declaration, without the consent of the Association or of any of the Owners.

#### 15.06 Interference with Special Declarant Rights.

Neither the Association nor any Owner may take any action or adopt any Rule or Regulation that interferes with or diminishes any Special Declarant Right, without Declarant's prior written consent. Any action taken in violation of this Section 15.06 shall be null and void and have no force or effect.

15.07 Rights Transferable.

Declarant may transfer any Special Declarant Right reserved to it under this Article XV or under any other provision of this Declaration in accordance with the terms and conditions of the Act.

ARTICLE XVI  
MORTGAGEE PROTECTIONS

16.01 Benefit of Mortgagees.

This Article establishes certain standards and covenants which are for the benefit of Mortgagees. This Article is supplemental to, and not in substitution of, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.

16.02 Notice of Actions.

If requested in writing to do so, the Association shall give prompt written notice of the following to each First Mortgagee making such request:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Unit in which an interest is held by the First Mortgagee;
- (b) Any delinquency in the payment of Assessments which remains uncured for sixty days by an Owner whose Unit is encumbered by a First Mortgage held by such First Mortgagee;
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any proposed action which would require the consent of First Mortgagees as set forth in this Article; and
- (e) Any judgment rendered against the Association.

16.03 Consent Required.

Notwithstanding anything to the contrary contained in this Declaration, the Association may not take any of the following actions without the consent of 67 percent of the First Mortgagees (based on one vote for each Unit encumbered by a First Mortgage held):

- (a) By act or omission seek to abandon or terminate the Condominium, except after condemnation or substantial casualty;

(b) Except as provided herein for condemnation, casualty, and the exercise of Special Declarant Rights, change the Interests in General Common Elements, Shares of Common Expenses or votes in the Association of any Unit;

(c) Subdivide, partition, or relocate the boundaries of any Unit, except as permitted with respect to Special Declarant Rights;

(d) Abandon, subdivide, partition, encumber, sell, or transfer the Common Elements (the granting of easements for public utilities or for other purposes provided for in this Declaration shall not be deemed transfers);

(e) Use hazard insurance proceeds for losses to any portion of the Common Elements for other than repair, replacement, or reconstruction of the Common Elements, except as provided by the Act; or

(f) Merge the Condominium with any other common interest community, except as permitted with respect to Special Declarant Rights.

#### 16.04 Notice of Objection.

Unless a First Mortgagee provides the Association with written notice of its objection, if any, to any proposed amendment or action requiring the approval of First Mortgagees within thirty days following the receipt of notice of such proposed amendment or action, the First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

#### 16.05 First Mortgagees' Rights.

(a) First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Elements or improvements thereon, and may pay overdue premiums on hazard insurance policies, for the Common Elements. First Mortgagees making such payment shall be owed immediate reimbursement from the Association.

(b) A First Mortgagee shall be entitled to cure any delinquency of the Owner of a Unit encumbered by its First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

#### 16.06 Limitations on First Mortgagee's Rights.

No requirement for approval or consent by a First Mortgagee provided in this Article shall operate to:

(a) Deny or delegate control over the general administrative affairs of the Association by the Owners or the Executive Board;

(b) Prevent the Association or the Executive Board from commencing, intervening and/or settling any legal proceeding; or

(c) Prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the requirements of the Article XII above.

16.07 Declarant Rights.

No provision or requirement of this Article XVI shall apply to any Special Declarant Rights or other rights reserved to Declarant in this Declaration.

ARTICLE XVII  
ENFORCEMENT AND REMEDIES

17.01 Enforcement.

(a) Each provision of this Declaration with respect to the Association or the Common Elements shall be enforceable by Declarant or by any Owner by a proceeding for injunctive relief.

(b) Each provision of this Declaration with respect to an Owner or a Unit shall be enforceable by Declarant or the Association by:

(i) A proceeding for injunctive relief;

(ii) A suit or action to recover damages; or

(iii) In the discretion of the Association, for so long as any Owner fails to comply with any such provisions, exclusion of such Owner and its Guests from the use of any Common Elements and from participation in any Association affairs.

(c) In addition to the rights and remedies described in paragraph 17.01(b) above, if an Owner fails to perform or observe any covenant or condition to be performed or observed by such Owner under this Declaration or any other Association Document, the Association shall have the following rights and remedies:

(i) The Association may, but is not obligated to, cure such failure to comply at the Owner's sole cost and expense. If the Association cures any such failure to comply, the Owner shall pay to the Association the amount of all costs incurred by the Association in connection therewith within thirty days after the Owner receives a written invoice therefore from the Association.



(ii) The Association may, after notice and an opportunity to be heard, fine the Owner, as a Default Assessment, an amount not to exceed \$100 for each violation. The Owner shall pay any such fine to the Association within thirty days after the Owner receives written invoice therefore from the Association.

(ii) With respect to an Owner's failure to pay an installment of any Assessment, the Association may accelerate the due date for the payment of the full amount of the Assessment.

(iii) The Association shall have all other rights and remedies available to it under this Declaration, at law or in equity.

(d) All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

#### 17.02 Attorneys' Fees.

In the event of any dispute under or with respect to this Declaration or any other Association Document, the prevailing party shall be entitled to recover from the non-prevailing party all of its costs and expenses in connection therewith, including, without limitation, the fees and disbursements of any attorneys, accountants, engineers, appraisers or other professionals engaged by the prevailing party.

#### 17.03 Interest.

If an Owner fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Owner shall pay to the Association interest on such unpaid amount at the rate of 18 percent per annum, or such other rate as the Executive Board may establish from time to time, from the due date of such unpaid amount until the date paid.

#### 17.04 Right to Notice and Hearing.

Whenever an Association Document requires that an action be taken after "notice and hearing," the following procedure shall be observed. The party proposing to take the action (e.g., the Executive Board or a committee or officer of the Association) shall give at least three days' prior written notice of the proposed action to all Owners whose interests would be significantly affected by the proposed action as reasonably determined by the proposing party. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the party proposing to take action, and all affected Owners, may give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. Any affected Owner shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner having a right to notice and

hearing shall have the right to appeal to the Executive Board from a decision of a proposing party other than the Executive Board. Such right of appeal may be exercised within ten days after an Owner receives notice of the decision, by filing a written notice of appeal with the Executive Board. The Executive Board shall conduct a hearing within forty-five days thereafter, giving the same notice and observing the same procedures as were required for the original hearing.

17.05 Nonwaiver.

Failure by Declarant, the Association or any Owner to enforce any covenant, condition, restriction, reservation, easement, assessment, charge, lien or other provision of this Declaration or in any other Association Document shall in no way be deemed to be a waiver of the right to do so thereafter.

ARTICLE XVIII  
TERM AND AMENDMENTS

18.01 Term.

The covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration shall run with and bind the Property until the Declaration is terminated pursuant to Section 18.02 below.

18.02 Termination.

(a) Subject to the rights of Mortgagees under Article XVI above, the Owners may terminate the Condominium and this Declaration, by the vote of 67 percent of the votes allocated to all Units. If the necessary votes are obtained, the agreement of the Owners to terminate the Condominium and this Declaration shall be evidenced by a termination agreement or ratification thereof, executed by the required number of Owners in accordance with the Act. Upon recordation of the termination agreement in the Summit County Records, the Condominium shall be terminated, this Declaration shall have no further force or effect, and the Association shall be dissolved.

(b) Notwithstanding the foregoing, the Owners may not terminate the Condominium during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

(c) Notwithstanding the foregoing, a termination of this Declaration or the Condominium shall not release the Property from the easements, covenants, conditions and restrictions set forth in Articles XI and XV hereof and such easements, covenants, conditions and restrictions shall survive the termination of this Declaration, unless Declarant consents to the release thereof in writing.

### 18.03 Amendments.

(a) Except for provisions of this Declaration regarding the rights and obligations of Declarant, which may not be amended without Declarant's prior written consent, and subject to the rights of Mortgagees under Article XVI above, Owners may amend any provision of this Declaration at any time by a vote of at least 67 percent of the votes allocated to all Memberships. If the necessary votes and consent are obtained, the Association shall cause an amendment to the Declaration to be recorded in the Summit County Records in accordance with the terms and conditions of the Act. Notwithstanding the foregoing, the Owners may not amend this Declaration during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

(b) Notwithstanding the terms and conditions of paragraph 18.03(a) above, the Declarant may, without the approval of the Owners, amend:

(i) This Declaration and the Map to correct clerical, typographical, technical or other errors;

(ii) This Declaration to comply with the requirements, standards or guidelines of recognized secondary mortgage markets, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, the Federal Home Loan Mortgage Corporation, the government National Mortgage Association or the Federal National Mortgage Association; and

(iii) This Declaration or the Map as otherwise provided by this Declaration or the Act.

(c) Notwithstanding the foregoing, the terms and conditions of Articles XI and XV may not be amended without the prior written consent of Declarant, and Article XIX may not be amended without the prior written consent of Declarant and the Resort Owner.

## ARTICLE XIX ACKNOWLEDGMENTS AND AGREEMENTS REGARDING KEYSTONE RESORT

### 19.01 Keystone Resort.

The Condominium is located in the vicinity of the Keystone Resort and adjacent to a proposed expansion of to the Keystone Resort, a four season resort with skiing, snowboarding, tubing, snowshoeing, mountain biking, hiking and other recreational and entertainment activities and facilities. The operation of the Keystone Resort may create certain nuisances and risks to the Condominium, the Owners and their Guests, including but not limited to, offensive noises, lighting and odors, damage to real and personal property, and personal injury.

19.02 Acknowledgments Regarding the Keystone Resort by Unit Owners.

By accepting a deed to a Unit (whether or not it is expressly stated in the deed), an Owner acknowledges that:

- (a) No representations or warranties have been made by Declarant, Resort Owner or any other person with regard to the present or future ownership, operation or configuration of, or right to use the Keystone Resort, whether or not depicted on any plat or land use plan, sales brochure or other marketing material or display;
- (b) The present or future ownership, operation or configuration of, or right to use any Keystone Resort facility may change at any time and from time to time for any reason including, without limitation, the sale or assignment of operations of the Keystone Resort, or a portion thereof;
- (c) No Owner shall have any right to use any Keystone Resort facility, including without limitation, the Keystone Resort ski area, solely by virtue of his, her or its ownership of a Unit;
- (d) There is no guarantee that the view over or across any portion of the Keystone Resort will be forever preserved without impairment;
- (e) Declarant and Resort Owner have no obligation to prune or not prune trees or other landscaping and Resort Owner may change or relocate any Keystone Resort facility or other improvement or landscaping at any time without liability to any Owner;
- (f) There is no guarantee that ski in and ski out access to the Keystone Resort will exist or be forever preserved without impairment and Resort Owner may need to temporarily or permanently close or relocate such access;
- (g) The Resort Owner (i) has not yet obtained the approvals that are required for the proposed expansion to the Keystone Resort; (ii) has no obligation to obtain those approvals; and (iii) may never obtain those approvals;
- (h) The Resort Owner has no obligation to pursue or complete the proposed expansion to the Keystone Resort and, even if the Resort Owner obtains the approvals required for the proposed expansion, the Resort Owner may, in its sole and absolute discretion, choose not to pursue or complete the proposed expansion or any other expansion to the Keystone Resort; and
- (i) Neither Declarant, Resort Owner, nor any of their respective officers, directors, members, employees, agents or independent contractors have made any representations regarding the proposed expansion of the Keystone Resort that are inconsistent with the statements set forth in paragraphs 19.02(a) through (h) above, and the Owner did not rely on any such inconsistent statement in making its decision to purchase its Unit.

19.03 Potential Disturbances and Nuisances from Adjacent Keystone Resort Uses.

By accepting a deed to a Unit (whether or not it is expressly stated in the deed), an Owner understands and agrees that:

- (a) The Condominium is located in the vicinity of the Keystone Resort and adjacent to a proposed expansion of the Keystone Resort;
- (b) The Keystone Resort invites large numbers of people who may be entering, exiting and using the Keystone Resort on various days of the week, including weekends, at any time of the day or night;
- (c) The Keystone Resort may have exterior lighting and amplified exterior sound and may be regularly used for recreational and entertainment events on various days of the week, including weekends, at any time of the day or night;
- (d) The Keystone Resort may invite its invitees to participate in various activities, including without limitation, skiing, snowboarding, tubing, snowshoeing, mountain biking, hiking and other recreational activities, which may be conducted at any time of the day or night, seven days a week;
- (e) Skiers, snowboarders, tubers, snowshoers, mountain bikers, hikers and other Keystone Resort users may not confine themselves to the Keystone Resort and may stray onto the Property;
- (f) Keystone Resort property and related improvements and facilities may require maintenance, including grooming, snowmaking, mowing, and irrigation, involving the use of tractors, mowers, blowers, pumps, compressors, utility vehicles and over-the-snow vehicles, at any time of the day or night, seven days a week;
- (g) Overspray from the Keystone Resort snowmaking system and drainage and water runoff from the Keystone Resort may enter upon the Property;
- (h) Ski lifts, ski trails, maintenance facilities, snowmaking equipment and other Keystone Resort facilities may be attractive nuisances to children;
- (i) Pesticides, fertilizers and other chemicals may be utilized in connection with the operation of the Keystone Resort and related landscaping, vegetation and revegetation; and
- (j) Noisy electric, gasoline and other power maintenance and snowmaking equipment, ski lifts, sprinkler and other irrigation systems may be operated by the Resort Owner at any time during the day or night.

The foregoing list is not intended to be exhaustive or inclusive of all matters that may affect the Property (whether now or in the future) or an Owner's use and enjoyment of a Unit.

19.04 Assumption of Risk, Release, Waiver and Hold Harmless.

(a) By accepting a deed to a Unit (whether or not it is expressly stated in the deed), an Owner acknowledges and agrees that:

(i) The location of the Condominium in the vicinity of the Keystone Resort and adjacent to a proposed expansion of the Keystone Resort may result in nuisances or hazards to persons and property and the use of the Keystone Resort by others may result in property damage, personal injury or death to persons on the Property due to errant skiers, snowboarders, mountain bikers and other Keystone Resort users or acts or omissions incidental to the operation of the Keystone Resort;

(ii) The Owner and its Guests do knowingly and voluntarily assume all risks associated with such location, including without limitation, the risks of nuisance, inconvenience and disturbance, as well as property damage, personal injury or death arising from errant skiers, snowboarders, mountain bikers and other users of the Keystone Resort or actions or omissions incidental to the operation of the Keystone Resort; and

(iii) Neither Declarant, the Keystone Neighborhood Company, Resort Owner, any other owner, operator or concessionaire of all or any part of the Keystone Resort nor any of their respective employees, agents, invitees, licensees, contractors, successors and assigns shall be responsible or accountable for, or have any liability for any claims, causes of action, losses, damages, costs (including attorneys fees) or expenses for any nuisance, inconvenience, disturbance or property damage or personal injury arising from errant skiers, snowboarders, mountain bikers or other users of the Keystone Resort or any actions or omissions incidental to the operation of the Keystone Resort.

(b) By accepting a deed to a Unit (whether or not it is expressly stated in the deed), each Owner agrees to indemnify and hold harmless Declarant, the Neighborhood Company, Resort Owner, any owner, operator or concessionaire of all or any part of the Keystone Resort, and their respective shareholders, members, partners, agents, officers, directors, employees, contractors, successors and assigns of, from and against any and all losses, damages, costs, expenses or liabilities related to or arising in connection with, any claims, actions, causes of action, liability, suits or demands of or by the Owner or its family members or Guests for any disturbance, inconvenience, noise, nuisance, personal injury, sickness or death or property damage, resulting from, or associated with, the use, maintenance and operation of the Keystone Resort, including without limitation, any of the activities, occurrences, conditions, state of facts, events or situations related thereto.

**THIS RELEASE IS INTENDED TO BE A COMPREHENSIVE RELEASE OF LIABILITY BUT IS NOT INTENDED TO ASSERT DEFENSES WHICH ARE**

**PROHIBITED BY LAW. NOTWITHSTANDING THE FOREGOING, THIS SECTION SHALL NOT LIMIT THE LIABILITY OF INDIVIDUAL SKIERS, SNOWBOARDERS, OR OTHERS USING THE KEYSTONE RESORT PROPERTY.**

ARTICLE XX  
MISCELLANEOUS

20.01 Interpretation of the Declaration.

Except for judicial construction, the Association, by its Executive Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefitted or bound by the covenants and the provisions hereof.

20.02 Severability.

Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity and enforceability of any other provision hereof.

20.03 Disclaimer of Representations.

Notwithstanding anything to the contrary contained in this Declaration, Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the complete development of the Condominium can or will be carried out or that any land now owned or hereafter acquired by Declarant is or will be subject to this Declaration, or that any such land, whether or not it has been subjected to this Declaration, is or will be committed to or developed for a particular use, or that if such land is once used for a particular use or that such use will continue in effect.

20.04 Reference to Declaration and Deeds.

Deeds to and instruments affecting any Unit or any other part of the Condominium may contain the provisions set forth herein by reference to this Declaration, but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth herein shall be binding upon the grantee-owner or other person claiming through any deed or other instrument and his or her heirs, executors, administrators, successors and assigns.

20.05 Successors and Assigns of Declarant.

Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder on the condition that Declarant's rights and powers may only be assigned by a written recorded instrument expressly assigning such rights and powers.

20.06 Captions and Titles.

All captions and titles of headings of Articles and Sections in this Declaration are for the purpose of reference and convenience and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

20.07 Exhibits.

All exhibits attached to this Declaration are a part of, and are incorporated into, this Declaration.

20.08 Governing Law.

This Declaration shall be governed by and construed in accordance with Colorado law.

20.09 Notices.

All Owners of each Unit shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters. The Owner or the representative of the Owners of a Unit shall furnish such registered address to the secretary of the Association within ten days after transfer of title to the Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of all Owners of the Unit. If no address is registered or if all of the Owners cannot agree, then the address of the Unit shall be deemed their registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Unit. All notices and demands intended to be served upon the Association shall be sent to the following address or such other address as the Association may designate from time to time by notice to the Owner(s):

The Seasons at Keystone Association  
do Keystone Resort Property Management P. O. Box 38  
Keystone, Colorado 80435  
Attention: Secretary



20.10 Waivers.

No waivers by the Association of any right of the Association shall constitute a waiver by the Keystone Village Association of any right of the Keystone Village Association.

20.11 Priority of Keystone Village Documents.

This Declaration and the other Association Documents shall be subject and subordinate to the Keystone Village Documents. If there is any conflict or inconsistency between the terms and conditions of this Declaration or any of the other Association Documents and the terms and conditions of the Keystone Village Documents, the terms and conditions of the Keystone Village Documents shall control. The terms and conditions of this Section 19.10 may not be amended or deleted without the prior written consent of the Keystone Village Association.

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**RESOLUTION OF THE SEASONS AT KEYSTONE HOMEOWNERS'  
ASSOCIATION**

**SUBJECT:** Adoption of a policy related to the respective responsibilities of The Seasons at Keystone Homeowners' Association ("Association") and Unit owners for maintenance and repairs of property at The Seasons at Keystone.

**PURPOSES:** To define when the Association and when Unit owners are responsible for maintenance and repairs.

**AUTHORITY:** The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** June 15, 2010

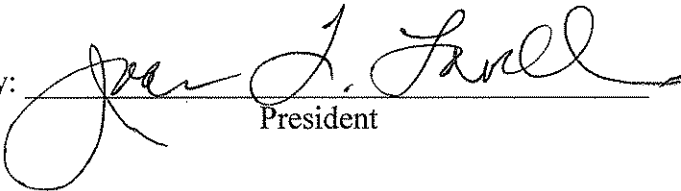
NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Seasons Property consists of Common Elements, Limited Common Elements, and Units. These definitions from the Association Declaration of Covenants are included in Exhibit A to this Resolution.
2. The Association is responsible for maintenance and repair of the "Common Elements" of The Seasons at Keystone.
3. Unit owners are responsible for Limited Common Elements except for certain Limited Common Elements included in the repairs/maintenance covered by the Association. Exhibit B outlines the respective responsibilities.
4. Unit owners are responsible for the unfinished drywall and everything inside the unfinished drywall in their Units as well as any personal property inside the Unit.
5. Owner-installed improvements (exterior or interior) are the responsibility of the Unit owner and future owners of that Unit. Exterior improvements require the approval of the Association Board.
6. Any question about who is responsible for repairs/maintenance will be decided by the Association Board based on this Policy and the Declaration of Covenants.

**PRESIDENT'S CERTIFICATION:**

The undersigned, being the President of the Association, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on May 15, 2010 and in witness thereof, the undersigned has subscribed his/her name.

**THE SEASONS AT KEYSTONE HOMEOWNERS' ASSOCIATION**

By:   
President

## **Exhibit A: DEFINITIONS**

### **MAINTENANCE AND REPAIRS POLICY THE SEASONS AT KEYSTONE**

The Declaration of Covenants is the governing document for all definitions. This Exhibit is only a summary of key terms in this resolution.

**Unit** means a physical portion of the Seasons condominiums created by the Covenants with boundaries described in the Covenants and shown on the Map which is an exhibit to the Covenants.

**Owner** means the record holder of legal title to the fee simple interest in any Unit or portion thereof. If there is more than one record holder of legal title to a Unit, each record holder is an Owner.

**Common Elements** mean Seasons condominium property other than the Units and the Limited Common Elements.

**Limited Common Elements** mean those portions of the Common Elements allocated by the Declaration, the Map or by operation of the Act for the exclusive use of one or more Units, but fewer than all of the Units. Without limiting the generality of the foregoing, "Limited Common Elements" include, without limitation:

- any exterior windows and doors, utility systems, mechanical systems, exhaust and ventilation systems, fireplaces, storage spaces, parking spaces, entrances, exits, walkways, patios, balconies, decks, sidewalks and other areas and Improvements that are designed to serve fewer than all of the Units; and
- any physical portion of the Condominium that is designated on the Map as "Limited Common Element" or "LCE."

If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a Unit, any portion serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion serving more than one Unit or any portion of the Common Elements is a part of the General Common Elements. Nonstructural walls located wholly within a Unit are Limited Common Elements appurtenant to the Unit in which they are located.

## EXHIBIT B: CHART OF RESPONSIBILITIES

### MAINTENANCE AND REPAIR RESPONSIBILITIES CHART THE SEASONS AT KEYSTONE

The following chart provides a description of whether the Seasons Homeowners Association (HOA) or the Unit Owner is responsible for maintenance and repair. This list is not intended to be all-inclusive; maintenance and repairs are subject to the Maintenance and Repair Policy adopted by the HOA Board of Directors on May 15, 2010.

Item	HOA Responsibility	Owner Responsibility
<b>BUILDING EXTERIOR</b>		
Building structure, including foundations, girders, beams and supports	<b>X</b>	
Siding, including painting, staining, repairing, replacing	<b>X</b>	
Trim and other exterior surfaces and improvements	<b>X</b>	
Roof shingles and roof underlay	<b>X</b>	
Gutters and downspouts	<b>X</b>	
Patios, balconies, decks – repair, staining	<b>X</b>	
Windows, frames, panes and caulking around windows in connection with window replacement and repair		<b>X</b>
Window mechanisms (cranks)		<b>X – lifetime warranty by manufacturer</b>
Window insulated glass – failure of seal <i>Note: Owner is responsible for any interior finishing such as painting. Warranty covers glass; HOA will pay installation fee.</i>		<b>X – 20-year warranty by manufacturer through 2023</b>
Exterior door of Unit	<b>X*</b>	
Patio/sliding doors	<b>X*</b>	
Exterior of garage doors	<b>X*</b>	
Garage mechanisms, openers		<b>X</b>
Exterior stairs and landings	<b>X</b>	
Exterior light fixtures	<b>X</b>	
Exterior meters (electric, water, etc.)	<b>X</b>	
Irrigation systems	<b>X</b>	
<b>UTILITIES</b>		
Utilities and lines installed within individual Units including heating, plumbing, lighting, telephone, garbage disposal, hot water equipment and appurtenances, which service only that Unit.		<b>X</b>
Utilities and lines installed within or running through individual Units, which service more than one Unit.	<b>X</b>	

Utilities and line installed <b>outside</b> individual Units, including furnaces, heating, plumbing, hot water equipment and appurtenances.	<b>X</b>	
Water pipes, ducts and electrical wiring located <b>within</b> a Unit and servicing only that Unit.		<b>X</b>
Water pipes, ducts and electrical wiring located <b>within</b> a Unit but servicing more than one Unit.	<b>X</b>	
Water pipes ducts and electrical wiring <b>outside</b> a Unit.	<b>X</b>	
Water pipes ducts and electrical wiring <b>outside</b> a Unit servicing only one Unit.	<b>X</b>	
<b>UNIT INTERIORS</b>		
Fireplace box		<b>X</b>
Fireplace flue repair and replacement	<b>X</b>	
Circuit boxes inside a Unit servicing only that Unit.		<b>X</b>
Circuit boxes inside a Unit serving more than one Unit.	<b>X</b>	
Furnishings		<b>X</b>
Window coverings		<b>X</b>
Permanent fixtures including but not limited to ceiling fans, hand rails, cabinets, counter tops whether originally installed by developer or replaced by Owner.		<b>X</b>
Appliances including stove, range, refrigerator, disposal, microwave, etc.		<b>X</b>
Interior walls, ceilings, floors – finished or unfinished surfaces		<b>X</b>
Floor coverings (carpet, tile, hardwood, etc.)		<b>X</b>
Subflooring	<b>X</b>	
<b>AMENITIES BUILDING</b>		
Spas, fire pit, steam room, common area bathrooms, storage building <i>Note: HOA is not responsible for Owner items stored in the storage building.</i>	<b>X</b>	
<b>GROUNDS</b>		
Grass, trees, shrubbery, flowers and landscaping	<b>X</b>	
Ground maintenance, including grading	<b>X</b>	
Private roads, streets and drives, sidewalks, curbs, drainpans, steps, walkways	<b>X</b>	
Irrigation system	<b>X</b>	
Exterior signs, street/parking area lighting	<b>X</b>	
<b>OTHER</b>		
Garbage collection	<b>X</b>	

Snow removal	<b>X</b>	
Sewer service	<b>X</b>	
Water service	<b>X</b>	
Other common elements described in the Covenants	<b>X</b>	
<b>OWNER-INSTALLED IMPROVEMENTS</b>		
Any improvement installed by a Unit owner is the responsibility of the Owner		<b>X</b>
Current Owner-installed improvements covered by this Policy:		<b>X</b>
<ul style="list-style-type: none"> <li>• 1829: window added to the left of the fireplace (looking from the outside)</li> <li>• 1847: window added to the left of the fireplace (looking from the outside)</li> <li>• 1834-35: Wood fencing enclosing patio</li> <li>• 1828: steps from rear patio</li> <li>• 1826: steps from rear patio</li> </ul>		(The HOA may determine to cover maintenance (such as staining) to ensure uniformity of appearance.

\*Asterisked elements listed on page 4 are Limited Common Elements assigned solely to specific Units; however, the HOA will maintain those elements to ensure uniformity of exterior appearance and structural integrity.

### NOTES

1. A utility (or other object) is within a Unit when such utility or object enters the drywall of a perimeter wall or ceiling of a Unit or when such utility or object passes through the subfloor.
2. If maintenance or repair is required to any component normally maintained by the HOA (including mold remediation) which results from the negligence or intentional or unintentional acts of an Owner or other Unit occupant, the Owner shall be responsible for the cost of repairs and maintenance.
3. Damage to a Unit caused by another Unit's negligence or an intentional or unintentional act or event is the responsibility of the Owner of each respective Unit. For example, a Unit allows a tub to overflow that leaks through the floor to the Unit below. Each Unit owner would make repairs and file a claim with their respective insurance agent.
4. If maintenance or repair (including mold remediation) is required for any Owner-maintained component which is caused by HOA negligence, the HOA will be responsible for the cost of such maintenance or repair.



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Kathleen Neel-Summit County Recorder 01/13/2010 01:23 DF:0.00



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AFTER RECORDING RETURN TO:  
HindmanSanchez P.C.  
5610 Ward Road, Suite 300  
Arvada, CO 80002  
Attn: TKH

**FIRST AMENDMENT  
TO THE  
DECLARATION  
OF COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR THE SEASONS AT KEYSTONE**

THIS AMENDMENT is made this 8th day of January, 2010.

**RECITALS**

- A. Keystone/Intrawest, L.L.C., a Delaware limited liability company, created the Seasons at Keystone Community ("Community") by recording a Declaration of Covenants, Conditions and Restrictions for the Seasons at Keystone in the real property records of the County of Summit, State of Colorado, at Reception Number 708298, on January 17, 2003 (the "Original Declaration").
- B. The Original Declaration provides for and allows for this First Amendment to the Declaration of Covenants, Conditions and Restrictions for the Seasons at Keystone (the "Amendment") in Article XVIII, Section 18.03(a), which provides in pertinent part as follows:
- Except for provisions of this Declaration regarding the rights and obligations of Declarant, which may not be amended without Declarant's prior written consent, and subject to the rights or Mortgagees under Article XVI above, Owners may amend any provision of this Declaration at any time by a vote of at least 67 percent of the votes allocated to all Memberships. If the necessary votes and consent are obtained, the Association shall cause an amendment to be recorded in the Summit County Records in accordance with the terms and conditions of the Act. Notwithstanding the foregoing, the Owners may not amend this Declaration during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.
- C. All Owners are aware of the provisions of the Original Declaration allowing for amendment, by virtue of the record notice of the Original Declaration, by acts and disclosures, newsletters or notices of the Association and by other means.
- D. This Amendment has been prepared and determined by the Association and by the Owners that have approved this Amendment to be reasonable and not burdensome.
- E. The purpose of this Amendment is to permit the use of gas grills within the community consistent with existing fire codes and to amend the parking restrictions



contained in the Original Declaration to restrict the parking of commercial vehicles in the community and to amend the size of vehicles that are permitted.

F. The undersigned, being the President of the Association, hereby certifies that Owners representing at least 67% of the votes in the Association have voted in favor of this Amendment at a duly called and held meeting of the Association on November 21, 2009. No Mortgagee approval is required for this Amendment. Additionally, the Declarant Control Period has expired. Accordingly, the consent of the Declarant is not required for this Amendment.

G. As amended by this Amendment, the Original Declaration is referred to as the "Declaration."

NOW THEREFORE,

I. Amendments. The Original Declaration is hereby amended as follows:

(a) **Repeal and Restatement.** Article X, Section 10.13(a) is hereby repealed in its entirety and the following Article X, Section 10.13(a) is substituted:

(a) The following may not be parked or stored on the Property unless authorized in writing by the Association or allowed by the Act as an "emergency vehicle": oversized vehicles, trailers, camping trailers, boat trailers, hauling trailers, boats or other motorcraft and accessories thereto, self-contained motorized recreational vehicles, commercial vehicles, or other oversized types of vehicles or equipment as prohibited by rule or regulation. The foregoing may be parked as a temporary expedience for loading, delivery of goods or services or emergency; provided, however, overnight parking is prohibited. This restriction shall not apply to commercial vehicles temporarily located on the Property which are necessary for any construction or maintenance undertaken by the Association.

(b) **Repeal and Restatement.** Article X, Section 10.18 is hereby repealed in its entirety and the following Article X, Section 10.18 is substituted:

10.18 Grills, Barbeques, and Other Cooking Devices.

- (a) LP-gas burning cooking devices on decks and patios are limited to those with a water capacity of 48 pounds or less (nominal 20 pound LP-gas capacity).
- (b) Charcoal, wood or other solid combustible material-fueled cooking devices are not permitted on decks or patios.

II. No Other Amendments. Except as amended by the terms of this Amendment, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment is executed by the undersigned.

The Seasons at Keystone Association, Inc.  
a Colorado nonprofit corporation

By: Joan Lavell  
President

STATE OF COLORADO )  
 ) ss.  
COUNTY OF Boulder )

The foregoing was acknowledged before me this 8 day of  
January, 20 10, by Joan Lavell, as  
President of The Seasons at Keystone Association, Inc., a Colorado nonprofit  
corporation.

Witness my hand and official seal.

My commission expires: 11/20/2010.

Sheleen Wood

Notary Public

